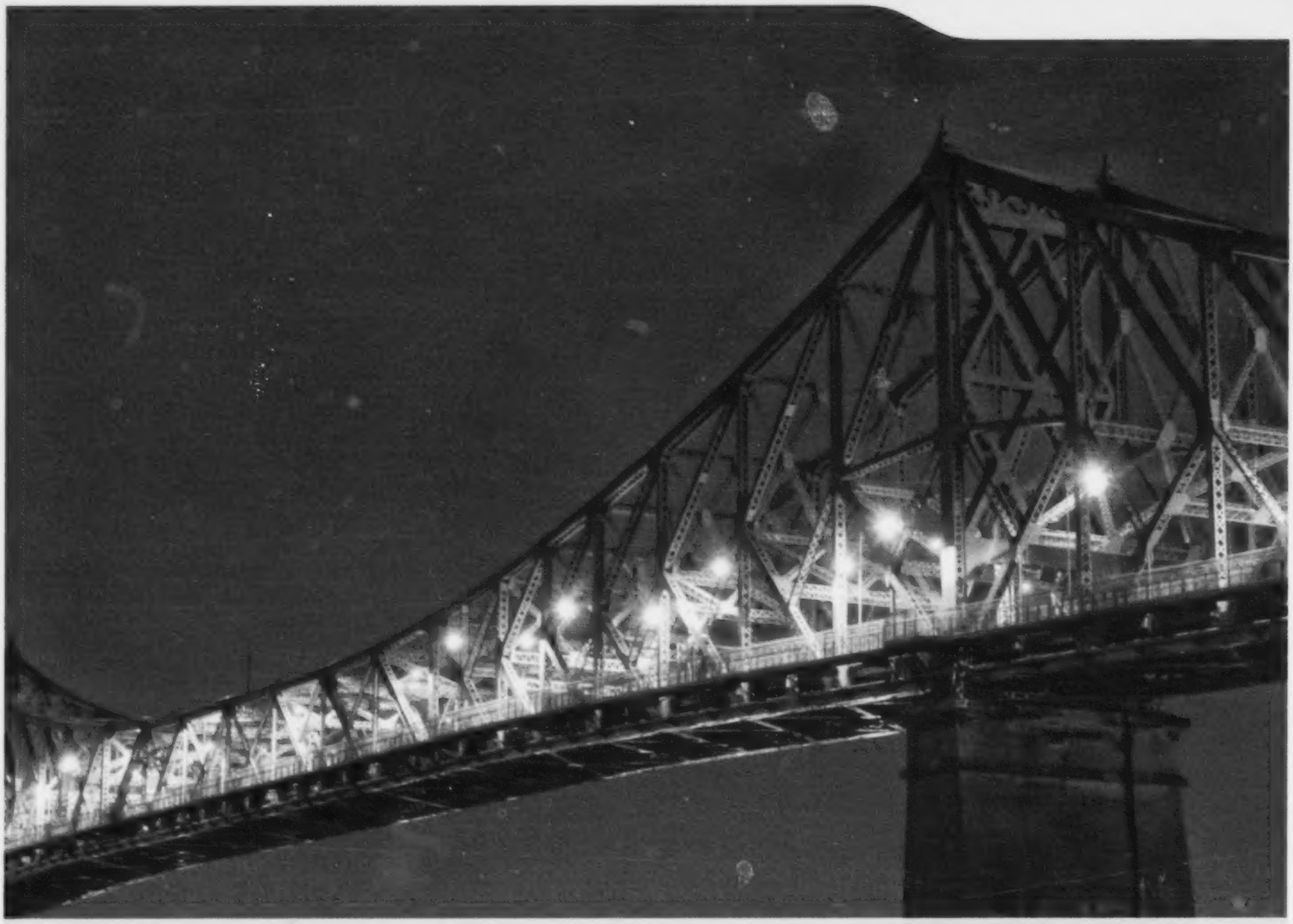
Transport Canada Transports Canada



TRANSPORT CANADA
Departmental Performance Report
2012-13

Canada

Transport Canada

2012-13

Departmental Performance Report

The Honourable Lisa Raitt, P.C., M.P.
Minister of Transport

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Minister's Message

I am pleased to present the *Departmental Performance Report* on Transport Canada's progress with respect to the goals set out in our *2012–13 Report on Plans and Priorities*.

Transport Canada has played a major role in supporting the Government of Canada's focus on economic growth and implementing the next phase of the Economic Action Plan while never losing sight of our priority—the safety of Canadians.

We have made important investments in transportation infrastructure to support the safe and efficient movement of trade and people domestically and internationally. We concluded an agreement between Canada and the State of Michigan to build the Detroit River International Crossing (DRIC) between Windsor and Detroit. We also moved forward with plans to replace the Champlain Bridge in Montreal with a new bridge for the St. Lawrence, vital for some 60 million vehicles and $20 billion in international trade crossing it annually.

We improved on existing investments in infrastructure across the country, while promoting international trade, tourism and business in western Canada through the Asia-Pacific Gateway.

To keep our border with the United States secure and vehicles moving seamlessly across it, we have followed through on commitments of the Beyond the Border Action Plan, including an investment of up to $47 million to expand and modernize our border crossing at Lacolle, Quebec, near Montreal.

Development of our resources is important to Canada's prosperity and can be done while taking care of our environment; that is the Government of Canada's balanced approach to responsible resource development. Transport Canada is doing its part, by working to strengthen oversight with initiatives such as the world-class tanker safety system.

Transport Canada has also worked to make our transportation system more effective, efficient and reliable. For example, the *Fair Rail Freight Service Act*, which encourages railways and shippers to negotiate service agreements, became law this year, making the rail system more efficient and Canada more competitive in international trade.

Finally, Transport Canada has continued to streamline its programs and reduce red tape in order to focus on its core role of maintaining a safe, secure, clean and efficient transportation system that Canadians can rely on.

Recent events, such as the tragic derailment in Lac-Mégantic are a sobering reminder that we can always do more to make our transportation system safer. There is nothing more important to my department, and to me, now and for the future.

The Honourable Lisa Raitt, P.C., M.P.
Minister of Transport

Section I: Organizational Overview

Raison d'être

Transport Canada[i] is responsible for the Government of Canada's transportation policies and programs under the legislative authority of Parliament. We are required by the *Canada Transportation Act*[ii] to report on the state of the national transportation system. While not directly responsible for all aspects or modes of transportation, we play a leadership role to ensure that all parts of the transportation system across Canada work together effectively.

Responsibilities

Our mission is to serve the public interest through the promotion of a safe, secure, efficient and environmentally responsible transportation system in Canada, one that provides access to markets for natural resources, agricultural products, manufactured goods and supports service industries. It meets the challenges posed by topography and geography, linking communities and reducing the negative effects of the distance that separates people. These vital roles reflect transportation's interdependent relationship with all sectors of the economy and society.

OUR VISION
A transportation system in Canada that is recognized worldwide as safe and secure, efficient and environmentally responsible.

Transport Canada's departmental vision of a sustainable transportation system integrates and balances social, economic and environmental objectives. Our vision's three guiding principles are to work towards the following objectives:

- the highest possible safety and security of life and property, supported by performance-based standards and regulations when necessary;
- the efficient movement of people and goods to support economic prosperity and a sustainable quality of life, based on competitive markets and targeted use of regulation and government funding; and
- respect of the environmental legacy of future generations of Canadians, guided by environmental assessment and planning processes in transportation decisions and selective use of regulation and government funding.

Many organizations at several levels of government, as well as transportation service providers and users, play their part in Canada's transportation system. Transport Canada develops the federal government's Canada-wide transportation policies and programs. We directly administer over 50 laws related to transportation[iii] and we also share the administration of many others. We use various policies, programs, legislative measures, regulations and guidelines to meet the expectations of Canadians, and we ensure compliance through appropriate enforcement systems.

In areas for which Transport Canada does not have direct responsibility—for example, for building and maintaining road networks—we use strategic funding and partnerships to promote the safe, efficient and environmentally responsible movement of people and goods into and across the country. In this way, we play a leadership role to ensure that all parts of the transportation system across Canada and worldwide work together effectively and efficiently. We also report on the state of transportation in Canada, as required under the *Canada Transportation Act*.

The Transport Canada portfolio[1] includes:

- 43 shared governance organizations, including 21 airport and 18 port authorities across Canada, the St. Lawrence Seaway Management Corporation[iv], NAV CANADA[v] and the Buffalo and Fort Erie Bridge Authority[vi];
- 11 Crown corporations, including four pilotage authorities, VIA Rail Canada[vii], the Canadian Air Transport Security Authority[viii] and the Canada Post Corporation[ix]; and
- three administrative tribunals/agencies: the Transportation Appeal Tribunal of Canada[x], the Canadian Transportation Agency[xi], and the Ship-source Oil Pollution Fund[xii].

Together, these organizations contribute to Canada's competitiveness by ensuring an efficient transportation system to make the economy stronger; keeping our transportation system safe and secure; protecting the environment; and improving the quality of life in our cities and communities.

Strategic Outcomes and Program Alignment Architecture

In 2012-13, as illustrated in Figure 1, Transport Canada's Program Alignment Architecture (PAA) includes 16 programs that contribute to achieving the four departmental strategic outcomes (SOs). The sixteenth program element, Internal Services[2], supports all four SOs. These SOs specifically contribute to five Government of Canada[xiii] outcomes. Section II of this report explains how Transport Canada's strategic outcomes and programs contribute to these outcomes.

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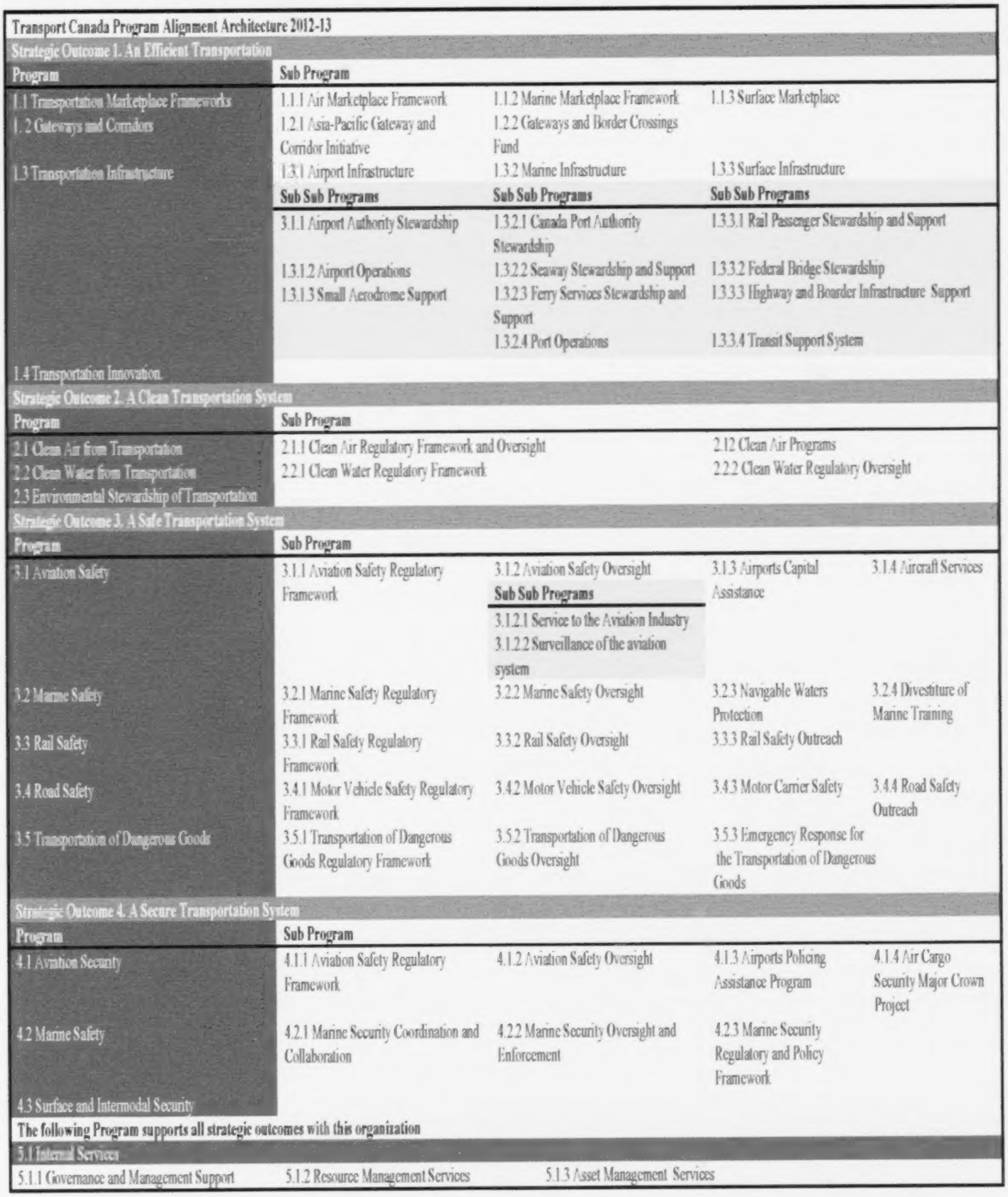
[1] Reflects changes to the federal Ministry announced July 15, 2013

[2] It should be noted that Internal Services is not an actual program. Internal Services include groups of related activities and resources that are administered to support the efficient and effective delivery of Government of Canada programs. Internal Services cut across all departmental programs identified in a PAA. An integral part of the PAA, Internal Services is situated at the program level of the PAA.

Figure 1: Transport Canada's Program Alignment Architecture



Transport Canada Program Alignment Architecture 2012-13				
Strategic Outcome 1. An Efficient Transportation				
Program	Sub Program			
1.1 Transportation Marketplace Frameworks	1.1.1 Air Marketplace Framework	1.1.2 Marine Marketplace Framework	1.1.3 Surface Marketplace	
1. 2 Gateways and Corridors	1.2.1 Asia-Pacific Gateway and Corridor Initiative	1.2.2 Gateways and Border Crossings Fund		
1.3 Transportation Infrastructure	1.3.1 Airport Infrastructure	1.3.2 Marine Infrastructure	1.3.3 Surface Infrastructure	
	Sub Sub Programs	Sub Sub Programs	Sub Sub Programs	
	3.1.1 Airport Authority Stewardship	1.3.2.1 Canada Port Authority Stewardship	1.3.3.1 Rail Passenger Stewardship and Support	
	1.3.1.2 Airport Operations	1.3.2.2 Seaway Stewardship and Support	1.3.3.2 Federal Bridge Stewardship	
	1.3.1.3 Small Aerodrome Support	1.3.2.3 Ferry Services Stewardship and Support	1.3.3.3 Highway and Boarder Infrastructure Support	
		1.3.2.4 Port Operations	1.3.3.4 Transit Support System	
1.4 Transportation Innovation.				
Strategic Outcome 2. A Clean Transportation System				
Program	Sub Program			
2.1 Clean Air from Transportation	2.1.1 Clean Air Regulatory Framework and Oversight		2.12 Clean Air Programs	
2.2 Clean Water from Transportation	2.2.1 Clean Water Regulatory Framework		2.2.2 Clean Water Regulatory Oversight	
2.3 Environmental Stewardship of Transportation				
Strategic Outcome 3. A Safe Transportation System				
Program	Sub Program			
3.1 Aviation Safety	3.1.1 Aviation Safety Regulatory Framework	3.1.2 Aviation Safety Oversight	3.1.3 Airports Capital Assistance	3.1.4 Aircraft Services
		Sub Sub Programs		
		3.1.2.1 Service to the Aviation Industry 3.1.2.2 Surveillance of the aviation system		
3.2 Marine Safety	3.2.1 Marine Safety Regulatory Framework	3.2.2 Marine Safety Oversight	3.2.3 Navigable Waters Protection	3.2.4 Divestiture of Marine Training
3.3 Rail Safety	3.3.1 Rail Safety Regulatory Framework	3.3.2 Rail Safety Oversight	3.3.3 Rail Safety Outreach	
3.4 Road Safety	3.4.1 Motor Vehicle Safety Regulatory Framework	3.4.2 Motor Vehicle Safety Oversight	3.4.3 Motor Carrier Safety	3.4.4 Road Safety Outreach
3.5 Transportation of Dangerous Goods	3.5.1 Transportation of Dangerous Goods Regulatory Framework	3.5.2 Transportation of Dangerous Goods Oversight	3.5.3 Emergency Response for the Transportation of Dangerous Goods	
Strategic Outcome 4. A Secure Transportation System				
Program	Sub Program			
4.1 Aviation Security	4.1.1 Aviation Safety Regulatory Framework	4.1.2 Aviation Safety Oversight	4.1.3 Airports Policing Assistance Program	4.1.4 Air Cargo Security Major Crown Project
4.2 Marine Safety	4.2.1 Marine Security Coordination and Collaboration	4.2.2 Marine Security Oversight and Enforcement	4.2.3 Marine Security Regulatory and Policy Framework	
4.3 Surface and Intermodal Security				
The following Program supports all strategic outcomes with this organization				
5.1 Internal Services				
5.1.1 Governance and Management Support	5.1.2 Resource Management Services	5.1.3 Asset Management Services		

Organizational Priorities

Transport Canada identified five organizational priorities for 2012-13. These priorities align with our Corporate Risk Profile.[3] Each priority relates to one or more of Transport Canada's strategic outcomes, which collectively describe our mandate and core business. The 2012-13 organizational priorities align with Government of Canada commitments. We describe accomplishments in support of these departmental priorities in the following tables.

Priority	Strategic Outcomes
Refine and strengthen Transport Canada's oversight function to improve transportation safety and security	• A Safe Transportation System • A Secure Transportation System
Summary of Progress	
Transport Canada made significant progress toward meeting this priority, contributing to the strategic outcomes above by taking the following measures: • Adopting nationally consistent business protocols within each mode and strengthening national modal consistency in program delivery of marine safety oversight frameworks, including strengthening the Marine Safety Management Systems; • Improving the training regime for managers and inspectors through the development and improvement of tools and courses on compliance, surveillance procedures and Safety Management Systems (SMS); and • Using risk-based planning to strengthen our approach to oversight and inspection, resulting in the effective allocation and monitoring of resources in support of safety and security audits, inspections and outreach activities. **Work in Progress** • Enhance the consistent application of national and modal risk-based inspection planning/reporting and enforcement regimes; • Strengthen the training regime for inspectors and technical experts to ensure they continue to have the required skills and competencies; • Continue to reinforce values and ethics so that our employees continue to embody professionalism with clients, the public and industry; and • Complete the implementation of the Civil Aviation Action Plan.	

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[3] The Corporate Risk Profile helps Transport Canada establish a direction for managing departmental risks. The profile presents a snapshot of the department's risk status at a particular point in time.

Priority	Strategic Outcome
Help make Canada's critical transportation infrastructure safer and more efficient	An Efficient Transportation System

Summary of Progress

Transport Canada made significant progress toward meeting this priority, contributing to the strategic outcome above by:

- Moving forward on the new Detroit River International Crossing (DRIC) by advancing the project to the procurement/implementation phase. Key activities included:
    - concluding a project agreement between Canada and the State of Michigan;
    - continuing negotiations with remaining property owners to acquire land required for the Canadian customs plaza and bridge;
    - passing the *Bridge to Strengthen Trade Act*[xiv] to ensure the successful and timely construction of the DRIC;
    - establishing the Windsor-Detroit Bridge Authority, a Canadian Crown corporation, on October 9, 2012, to oversee the construction and operation of the crossing and to complete the Request for Qualifications process, as well as the Request for Proposals process for construction of the crossing; and
    - completing an Environmental Management Plan to address post-environmental assessment commitments for the DRIC project.
- Continuing work with our partners to move forward with the new bridge over the St. Lawrence River to replace the Champlain Bridge in the greater Montreal area. Key activities included:
    - advancement of the environmental assessment;
    - implementation of a governance structure, which allowed Transport Canada to inform and seek input from federal and external stakeholders; and
    - progress by the Jacques Cartier and Champlain Bridges Incorporated on the development of a temporary causeway to replace Nuns' Island Bridge.
- Completing gateway-related projects to further strengthen the efficiency and reliability of Canada's trade-related transportation system, such as the 80th Street Overpass project in British Columbia's Lower Mainland. In addition, 17 infrastructure projects were either started or are under way and 12 new contribution agreements were signed.

Work in Progress

- Advance the DRIC by completing property transactions in Canada and beginning acquisitions in the United States; preparing the Canadian plaza site for construction and advancing work on the procurement process;
- Complete the environmental assessment for the new bridge over the St. Lawrence River to replace the Champlain Bridge; advance property and public utilities work, as well as the procurement process and begin building the Nuns' Island temporary causeway; and
- Continue Beyond the Border Action Plan initiatives related to cross-border transportation facilitation and security.

Priority	Strategic Outcomes
Continue to renew Transport Canada's policy framework to ensure its policies, programs and regulations will meet the needs of the transportation system over the next 10 to 15 years	All Strategic Outcomes

Summary of Progress

Transport Canada successfully addressed this priority, contributing to all strategic outcomes by:

- Finalizing a renewed overarching policy framework that will guide policy and program development within the department, including a tool that defines the elements of the national transportation system that are critical to current and future economic activity;
- Engaging stakeholders to examine the current air and marine policy frameworks in order to identify issues with respect to the future of air and marine transportation in Canada;
- Reviewing Transport Canada's oversight policy, voluntary and regulatory frameworks, including development of a new Canadian Aviation Regulation Advisory Council Model to streamline the regulatory process and improve the flow of regulatory proposals; and
- Completing an assessment of Transport Canada's existing policies and programs supporting remote transportation assets and/or services that will inform future policy work.

Work in Progress

- Implement the *Fair Rail Freight Service Act* legislation;
- Develop the process to be used for the upcoming statutory review of the *Canada Transportation Act*, which will assess whether the current legislative framework provides Canadians with a transportation system that is consistent with the national transportation policy; and
- Encourage the deployment of innovative technologies and practices to enhance efficiency and integration in the transportation system and help build sector research capacity through targeted and collaborative activities.

Priority	Strategic Outcomes
Adopt people management strategies that support our workforce and workplace through transformational changes	All Strategic Outcomes

Summary of Progress

Transport Canada made significant progress towards meeting this priority, contributing to all strategic outcomes by:

- Identifying and prioritizing staffing actions and placement opportunities for employees;
- Establishing the National and Regional Workforce Management Boards to identify and monitor measures related to workforce management to effectively place employees affected by spending reductions or reorganizations. As of March 31, 2013, 86 percent of the workforce adjustment situations were resolved;
  - Provided tools and guidance to senior management and employees resulting in 20,000 visits to online policies, procedures and guidance, tip sheets and Questions and Answers; and
- Realigning the Civil Aviation organizational structure through completion of work descriptions and implementing classification decisions and staffing strategies.

Work in Progress

- Carry out the approved plans for each initiative to achieve expected savings in a way that provides support and information to employees during the transition; and
- In response to the audit Review of People Management Practices in Support of Regional Safety and Security Inspectorates conducted in 2012-13, the department will strengthen the alignment of employee performance with program performance.

Priority	Strategic Outcomes
Continue to strengthen Transport Canada's management controls and practices	All Strategic Outcomes

Summary of Progress

Transport Canada successfully met this priority, contributing to all strategic outcomes by:

- Further leveraging our governance framework and integrated business planning and reporting process, reviewing and amending the governance framework and improving the mid-year and year-end reporting process and tools across the department. This will ensure more transparent and better informed decision making;
- Strengthening our integrated risk management approach by developing and implementing a more complete methodology to update the Corporate Risk Profile and developing a tool to better communicate risk management issues across the department by harmonization of risk terminology; and
- Continuing our efforts in implementing management action plans in response to internal and external audits[4].

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[4] More specific progress information is found in Section II

Risk Analysis

Operating Environment

Transportation is one of Canada's key economic enablers. It is the engine that drives the economy and is one of the largest economic sectors in Canada. Every year, the transportation system moves over $1 trillion worth of goods to market and some 1.8 billion urban transit commuters, 4 million commuter rail passengers and 70 million air passengers. It provides access to markets for natural resources, agricultural products and manufactured goods, supports service industries and links communities.

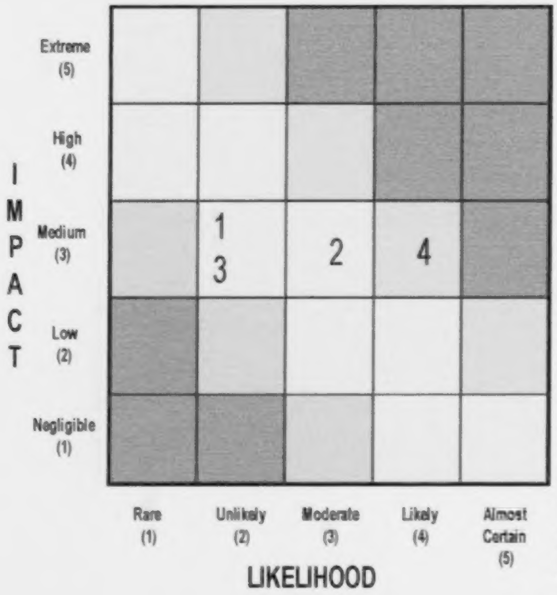
Canada's transportation system is a shared responsibility between various levels of government and the private sector. Through its legislative and regulatory responsibilities, the federal government supports efficiency, safety, security and environmental responsibility of the national transportation system, and facilitates coordination with the global transportation networks. Risks are introduced into the transportation system because of its complex structure. Such complexity requires Transport Canada to manage risk effectively, to identify and analyze risk to the extent possible, and to develop suitable mitigation strategies in order to achieve its strategic outcomes.

Key Risk Areas and Risk Responses

Through an environmental scan that looked at changing socio-economic, technological and geopolitical elements and internal capacity, as well as department-wide consultations, Transport Canada identified four key risk areas in our Corporate Risk Profile, which provides a clear snapshot of our key risks. We assessed these risks based on the likelihood of occurrence, combined with their potential impact on our capacity or ability to achieve our strategic outcomes. We also identified and implemented mitigation measures. The identification of risks and the development of risk responses contribute to making decisions related to setting departmental priorities, planning, allocating resources, developing policies, managing programs and reporting on performance. The four key risk areas are:

1. Transportation System Efficiency
2. Oversight Effectiveness
3. Security Threat
4. Change Management

Figure 2: Transport Canada's Corporate Risk Profile 2012-13



Key Risks

1. Transportation System Efficiency: Transport Canada may not have adequate tools (policies, legislation, programs, funding, and partnerships) to influence the undertaking of strategic infrastructure improvements needed to support critical trade and resource development.

2. Oversight Effectiveness: Efforts to strengthen systems, processes and functional direction to frontline staff may not be well advanced and effectively communicated to promote a consistent and rigorous oversight regime across all transportation modes.

3. Security Threat: Systems and processes in place may not be sufficiently robust to respond to a major transportation security threat or incident in a coordinated, timely and adequate manner.

4. Change Management: Internal capacity (people, resources, systems, processes) may not be adequate to effectively support change management initiatives.

The Corporate Risk Profile was reviewed in October 2012 in light of the progress made in implementing response activities and changes in our environment. While the key risk areas are the same as those listed in the 2012-13 Report on Plans and Priorities, the risks have been refined to clearly articulate which activities could be affected by our risks, allowing for more targeted risk responses. We present the key elements of our risk response strategy in the table below.

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Transportation System Efficiency: It is important that Transport Canada has adequate tools to influence the undertaking of strategic infrastructure improvements needed to support critical trade and resource development.	We continued implementation of the Building Canada Plan and Gateways initiatives, as well as the Canada-U.S. Perimeter Security and Economic Competitiveness Action Plan initiatives. We established the Windsor-Detroit	An efficient transportation system A clean transportation system	Help make Canada's critical transportation infrastructure safer and more efficient. Continue to renew Transport Canada's policy framework to ensure that its policies, programs and regulations will meet the needs of the transportation

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
	Bridge Authority, which will manage the procurement and operation of the new Windsor-Detroit Bridge Crossing, and we are in the process of establishing the international authority to oversee the construction and operation of the crossing. We finalized a renewed overarching policy framework to guide policy and program development within the department.		system over the next 10 to 15 years.
Oversight Effectiveness: Ensure that efforts to strengthen systems, processes and functional direction to frontline staff are properly communicated to promote a consistent and rigorous oversight regime across all transportation modes.	We made progress in developing a risk-based regulatory priority management system to improve the regulatory system and in assessing compliance. We enhanced surveillance training for all inspectors in order to promote continuous improvement and modernizing tools, training and guidance materials across the modes.	A safe transportation system A secure transportation system	Refine and strengthen Transport Canada's oversight function to improve transportation safety and security. Continue to renew Transport Canada's policy framework to ensure that its policies, programs and regulations will meet the needs of the transportation system over the next 10 to 15 years.

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
	We enhanced the consistent application of national and modal risk-based inspection planning, reporting and enforcement regimes.		
Security Threat: It is important to have in place robust systems and processes to respond to a major transportation security threat or incident in a coordinated, timely and adequate manner.	We strengthened communication protocols to improve information sharing and security awareness. We enhanced departmental response plans and arrangements (e.g., Incident Management Team, Aviation Security Event Management Plan). We worked with key government partners and service providers to monitor cyber threats to the department's mission-critical infrastructure. To reduce the likelihood of security incidents, we developed and implemented measures to strengthen security	A secure transportation system	Refine and strengthen Transport Canada's oversight function to improve transportation safety and security. Continue to renew Transport Canada's policy framework to ensure that its policies, programs and regulations will meet the needs of the transportation system over the next 10 to 15 years.

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
	of transportation of dangerous goods and international bridges and tunnels. We increased security for air passengers, air cargo and airport workers by working to harmonize the security framework with those of our international partners through the implementation of the Beyond the Border Action Plan security initiatives.		
Change Management: Effectively support internal change management initiatives.	We enhanced our governance and capacity to optimize use of financial and non-financial resources and its performance measurement framework. We provided support and information to employees during transition and advised stakeholders on resulting impacts on operations, program and service delivery. We established comprehensive change management	Internal Services	Refine and strengthen Transport Canada's oversight function to improve transportation safety and security. Continue to renew Transport Canada's policy framework to ensure that its policies, programs and regulations will meet the needs of the transportation system over the next 10 to 15 years. Adopt people management strategies that support our workforces and

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
	plans for key departmental initiatives/strategies. These included elements such as vision, required actions, costing, resourcing, risks and communication, as well as monitoring and reporting strategies.		workplace through transformational changes. Continue to strengthen Transport Canada's management controls and practices.

Summary of Performance

Financial Resources–Total Departmental ($ millions)

To support our mandate, Transport Canada received and used the following resources:

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending)
2,072	2,084	2,122	1,332	752

The variance between planned and actual spending is mainly attributed to delays in the approval and delivery of infrastructure projects under the Gateways and Border Crossings Fund, the Asia-Pacific Gateway and Corridor Initiative (APGCI), as well as directed savings due to the implementation of Budget 2012 cost reduction measures. Note that the Budget 2012 cost reduction measures had not been established and were not reflected in the planned spending at the time of the preparation of the 2012-13 Report on Plans and Priorities. Please refer to the following pages for variance explanations provided by program, including Internal Services, which follows each Strategic Outcome Performance Summary table.

Human Resources (Full-Time Equivalents[5]–FTEs)

Planned	Actual	Difference
5,487	4,957	530

The FTE variance is due largely to implementation of Budget 2012 cost saving measures to gain organizational efficiencies and minimize operational costs. Through the integrated planning and reporting approach and the renewed governance structure, the department is carefully identifying its current and future workforce needs, including staffing and training. Transport Canada employees remain dedicated to the promotion of a safe and secure, efficient and environmentally responsible transportation system in Canada.

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[5] FTEs are a measure of the extent to which an employee represents a full person-year charge against a departmental budget. FTEs are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Performance Summary Tables by Strategic Outcome ($ millions)

Strategic Outcome 1: An Efficient Transportation System ($ millions)[6]

Program	Total Budgetary Expenditures (Main Estimates 2012-13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes[xv]
		2012–13	2013–14	2014–15		2012–13[7]	2011–12	2010–11	
1.1 Transportation Marketplace Frameworks	9	9	12	12	10	9	10	10	A fair and secure marketplace
1.2 Gateways and Corridors	1,063	1,063	538	544	1,057	396	200	243	Strong economic growth
1.3 Transportation Infrastructure	309	309	321	264	331	310	366	282	Strong economic growth
1.4 Transportation Innovation	14	14	15	13	14	9	11	11	An innovative and knowledge-based economy
Sub-Total[8]	**1,395**	**1,395[9]**	**886**	**833**	**1,411**	**724**	**587**	**545**	

Information on Significant Variances (between Planned and Actual Spending)

1.2 Gateways and Corridors: The variance of $667 million in Gateways and Corridors is mainly attributed to delays in the approval and delivery of infrastructure projects under the Gateways and Border Crossings Fund and the Asia-Pacific Gateway and Corridor Initiative ($619 million). Also, delays in property acquisition, changes to schedule due to complex utility relocation, and due diligence activities in Michigan associated with the Detroit River International Crossing ($32 million) have contributed to the variance. In addition, $6 million associated with the planning activities related to the replacement of the new bridge for the St. Lawrence was not spent in 2012-13 due to changes to the schedule for undertaking preliminary engineering studies.

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[6] We created a new sub–program, 1.1.4 International Frameworks and Trade, for 2013-14. Most of these activities were under Internal Services in past years. As well, we moved the Centre of Expertise for Transfer Payment from Internal Services to sub–program 1.3.3.3. We amended program 1.4 Transportation Innovation, to Transportation Analysis and Innovation for 2013-14. We allocated Economic Analysis functions previously under Internal Services to new 1.4 sub–programs.

[7] In order to align with departmental authorities by program, as presented in Vol. II of the Public Accounts, services provided without charge amounts for employer's contribution to employee insurance plans, such as the Public Service Health Care Plan and the Public Service Dental Plan provided by the Treasury Board of Canada Secretariat, accommodations provided by Public Works and Government Services Canada, workers' compensation provided by Human Resources and Skills Development Canada and legal services provided by the Department of Justice, are not to be included in this figure. This information is presented in departmental Financial Statements only.

[8] Due to rounding, columns in each table may not add up

[9] The published version of the 2012-13 Report on Plans and Priorities contains an error: the 2012-13 Planned Spending Total incorrectly reflects $1,295; the amount above is correct.

1.3 Transportation Infrastructure: The variance of $1 million in Transportation Infrastructure is mainly associated with revised costs, delays and re-phasing of capital projects at Transport Canada-owned airports, ports and ferry terminals, as well as re-phasing of contribution funding to third parties for infrastructure projects.

1.4 Transportation Innovation: The variance of $5 million is largely a reflection of directed savings due to the implementation of Budget 2012 cost reduction measures.

Strategic Outcome 2: A Clean Transportation System ($ millions)[10]

Program	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes[xvi]
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11	
2.1 Clean Air from Transportation	25	25	37	34	25	19	14	17	A fair and secure marketplace
2.2 Clean Water from Transportation	2	2	2	2	7	7	7	8	Strong economic growth
2.3 Environmental Stewardship	33	33	31	25	46	20	23	40	Strong economic growth
Sub-Total[11]	**60**	**60**	**70**	**62**	**78**	**46**	**44**	**65**	

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[10] For 2013-14, the Aboriginal Consultation Unit, previously under Internal Services, was realigned to 2.3

[11] Due to rounding, columns in each table may not add up

Information on Significant Variances (between Planned and Actual Spending)

2.1 Clean Air from Transportation: A variance of $3 million is linked to delays with a number of research and development projects under the Marine Sector Regulatory Initiative, savings associated with the acquisition plan for the ecoTECHNOLOGY for Vehicles II Program (eTV II) and with the development of the Vehicle Management System.

Over $1 million of the surplus is linked to delays in the development of the Locomotive Emissions Information System (LEIS) project that will support the implementation of proposed Locomotive Emissions Regulations. This is primarily due to in-depth options analysis that resulted in the LEIS project phasing over two years rather than one year.

2.2 Clean Water from Transportation: The variance of $5 million is explained by an increase in funding during the year to support the World-Class Tanker Safety System initiative.

2.3 Environmental Stewardship from Transportation: The variance of $13 million in Environmental Stewardship is primarily associated with schedule adjustments to environmental remediation work at multiple sites.

Strategic Outcome 3: A Safe Transportation System ($ millions)[12]

Program	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11	
3.1 Aviation Safety	231	231	215	213	227	199	222	211	Safe and secure Canada
3.2 Marine Safety	62	62	58	51	65	57	76	83	Safe and secure Canada
3.3 Rail Safety	37	37	34	34	37	34	33	31	Safe and secure Canada
3.4 Road Safety	23	23	25	20	24	23	24	42	Safe and secure Canada
3.5 Transportation of Dangerous Goods	12	12	13	13	13	13	14	14	Safe and secure Canada
Sub-Total[13]	**365**	**365**	**344**	**331**	**368**	**325**	**368**	**382**	

Information on Significant Variances (between Planned and Actual Spending)

3.1 Aviation Safety: The variance of $32 million is largely the result of an $11 million surplus in the Airports Capital Assistance sub–program, partially due to the absence of a decree required in Quebec for projects at government-owned airports, as well as delays around a few projects in the North. A further surplus of $13 million is due to lower-than-expected operating costs related to the transition of the Civil Aviation program, organizational efficiencies, unratified collective agreements and increased revenue. A capital surplus of $2 million is due to delays in the contracting process and changes in project requirements. There have been no cuts to aviation inspectors.

3.2 Marine Safety: The variance of $5 million is attributable to lower costs linked to reductions in spending, modernized and more efficient program delivery, funding set aside for human resources contingencies that were not required and associated reductions in spending.

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[12] The SO3, A Safe Transportation System, was merged with SO4, A Secure Transportation System, for the 2013-14 PAA. Programs 3.6, 3.7 and 3.8 were under SO4 from 2010 to 2012. As of 2013-14, these programs will be under SO3. Please refer to Transport Canada's 2013-14 Report on Plans and Priorities for more information.

[13] Due to rounding, columns in each table may not add up

3.3 Rail Safety: The variance of $3 million is attributable to several factors, including temporary staffing vacancies throughout the regions and headquarters, limited spending related to the passage of the amendments to the *Railway Safety Act* and reductions in travel and procurement throughout the program. Transport Canada continually analyzes its workforce and works on recruitment and retention of staff to ensure resources are concentrated where they will provide the greatest safety benefit. There was also a $1-million surplus in the Grade Crossing Improvement program and Grade Crossing Closure transfer program approved under the *Railway Safety Act* due to unused contingencies, changed cost estimates and some construction delays. Money earmarked for delayed projects will be spent in the next fiscal year.

Strategic Outcome 4: A Secure Transportation System ($ millions)[14]

Program	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes[xviii]
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11	
4.1 Aviation Security	46	46	33	32	37	34	43	43	Safe and secure Canada
4.2 Marine Security	21	21	15	14	19	14	18	20	Safe and secure Canada
4.3 Surface and Intermodal Security	6	6	5	5	5	4	6	7	Safe and secure Canada
3.9 Multimodal Safety and Security[15]	0	0	11	11	0	0	0	0	Safe and secure Canada
Sub-Total[16]	**73**	**73**	**64**	**63**	**61**	**52**	**67**	**70**	

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[14] The SO3, A Safe Transportation System, was merged with SO4, A Secure Transportation System, for the 2013-14 PAA. Programs 3.6, 3.7 and 3.8 were under SO4 from 2010 to 2012. As of 2013-14, these programs will be under SO3.

[15] Program 3.9 was created for the 2013-14 PAA. Safe and Secure Strategies and Integration, previously under Internal Services, was allocated to sub–program 3.9.1. Sub–programs 3.9.2 and 3.9.3 were realigned from existing Programs in SO3 and SO4.

[16] Due to rounding, columns in each table may not add up.

Information on Significant Variances (between Planned and Actual Spending)

4.1 Aviation Security: The majority of the $12-million variance relates to the transfer of resources to Internal Services in order to gain efficiencies and minimize operational costs with respect to security screening of employees and transportation workers at restricted access facilities.

4.2 Marine Security: The majority of the $7-million variance is attributable to changes to core program activities, staffing vacancies and lower than anticipated costs for Local Area Network support and printing.

4.3 Surface and Intermodal Security: The $2-million variance relates to reduced travel as a result of a more efficient inspection schedule, savings from the publication of documents in electronic format and staffing vacancies resulting from difficulties in hiring candidates with specialized qualifications.

Performance Summary Table for Internal Services ($ millions)

5.1 Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
Total[17]	180	191	159	162	204	186	215	227

Information on Significant Variances (between Planned and Actual Spending)

The variance of $5 million is related to reductions in professional services, travel and training expenditures, staffing vacancies, lower than anticipated costs for the Transport Canada Automated Fingerprint Identification System and a delay in the ratification of the Finance Officers' collective agreement.

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[17] Due to rounding, columns in each table may not add up

Total Performance Summary Table ($ millions)								
Strategic Outcomes and Internal Services	**Total Budgetary Expenditures (Main Estimates 2012–13)**	**Planned Spending**			**Total Authorities (available for use) 2012–13**	**Actual Spending (authorities used)**		
		2012–13	**2013–14**	**2014–15**		**2012–13[18]**	**2011–12**	**2010–11**
1. An Efficient Transportation System 2. A Clean Transportation System 3. A Safe Transportation System 4. A Secure Transportation System Program 5.1 Internal Services	2,072	2,084	1,523	1,450	2,122	1,332	1,281	1,288
Total	**2,072**	**2,084**	**1,523**	**1,450**	**2,122**	**1,332**	**1,281**	**1,288**

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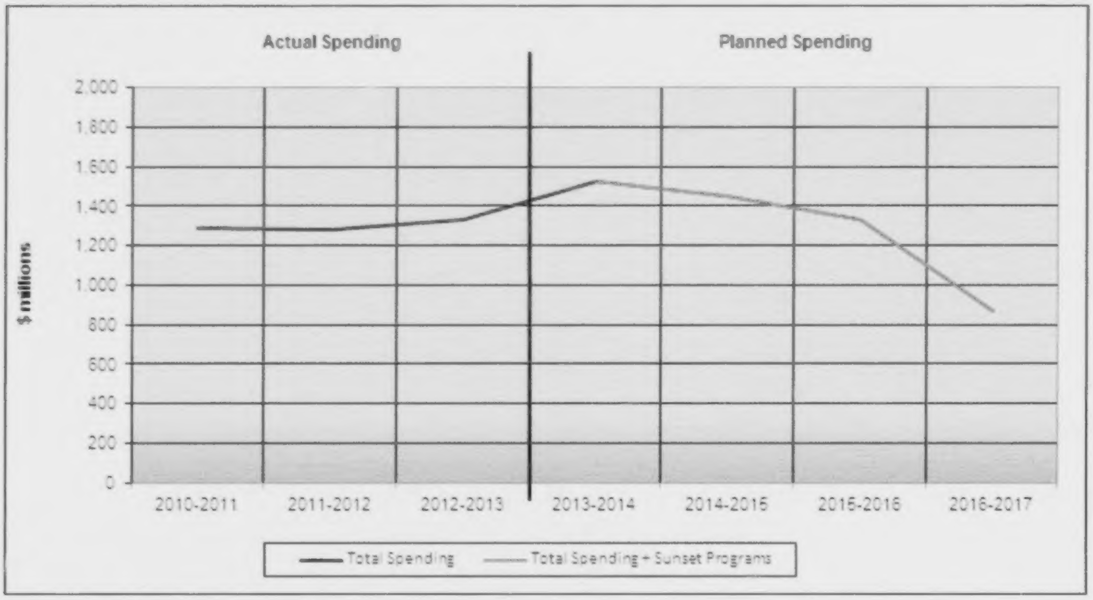
[18] In order to align with departmental authorities by program, as presented in Vol. II of the Public Accounts, services provided without charge amounts for employer's contribution to employee insurance plans, such as the Public Service Health Care Plan and the Public Service Dental Plan provided by the Treasury Board of Canada Secretariat, accommodations provided by Public Works and Government Services Canada, workers' compensation provided by Human Resources and Skills Development Canada and legal services provided by the Department of Justice, are not to be included in this figure. This information is presented in departmental financial statements only.

Expenditure Profile

Figure 3: Departmental Spending Trend



Note: The trend line for 'Total Spending + Sunset Programs' is equal to 'Total Spending' starting in 2013–14.

Figure 3 shows Transport Canada's spending profile from 2010-11 to 2016-17. The profile shows expenditures of $1,288 million in 2010-11, $1,281 million in 2011-12, and $1,332 million in 2012-13. The increase is mostly attributable to the actuals spent for two of the department's major initiatives, the Asia-Pacific Gateway and Corridor Initiative and the Gateways and Border Crossings Fund. Increased spending on these initiatives was offset by reduced spending related to the implementation of Budget 2012 cost reduction measures.

Transport Canada's planned spending increases to $1,476 million in 2013-14, then decreases to $1,450 million in 2014-15, $1,336 million in 2015-16 and $869 million in 2016-17. The decrease is attributable to a general reduction in Transport Canada's planned spending, including the implementation of Budget 2012 cost reduction measures. In 2016-17, the reduction includes a planned decrease in spending of $353 million for the Gateways and Border Crossings Fund, which will complete its term by 2018.

Estimates by Vote

For information on Transport Canada's organizational Votes and/or statutory expenditures, please see the *Public Accounts of Canada 2013 (Volume II*[xix]*)*. An electronic version of the Public Accounts 2013 is available on the Public Works and Government Services Canada website.

Transport Canada's Contribution to the Federal Sustainable Development Strategy (FSDS)

The FSDS outlines the Government of Canada's commitment to improving the transparency of environmental decision-making by articulating its key strategic environmental goals and targets. Transport Canada ensures that consideration of these outcomes is an integral part of its decision-making processes.

We contributed to the following FSDS 2012-13 themes as denoted by the visual identifiers and associated programs below:

a **Theme I** Addressing Climate Change and Air Quality Program 1.4: Transportation Innovation Program 2.1: Clean Air from Transportation	w **Theme II** Maintaining Water Quality and Availability Program 1.4: Transportation Innovation Program 2.2: Clean Water from Transportation
n **Theme III** Protecting Nature Program 2.2: Clean Water from Transportation	g **Theme IV** Shrinking the Environmental Footprint - Beginning with Government Program 2.3: Environmental Stewardship of Transportation.

In 2012-13, Transport Canada considered the environmental effects of initiatives subject to the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals[xx].

To learn more about Transport Canada's activities to support sustainable development and strategic environmental assessments, please visit our Departmental Sustainable Development Strategy website. For complete information on the Federal Sustainable Development Strategy, please visit Environment Canada's website.

Section II: Analysis of Programs and Sub–Programs by Strategic Outcome

Transport Canada's four strategic outcomes reflect the long-term and enduring benefits to Canadians arising from our mandate and vision. They are as follows:

1. An Efficient Transportation System
2. A Clean Transportation System
3. A Safe Transportation System
4. A Secure Transportation System

We can report progress in relation to the expected results,[19] performance indicators[20] and targets,[21] set out in Transport Canada's PAA structure for 2012-13 (Figure 1). The PAA is a structured inventory of the department's programs. These programs are arranged in a hierarchical manner to depict the logical relationship between each program and the SO to which they contribute. What distinguishes the different levels of a PAA is the scope and reach of the programs at those levels. The program level has a broad scope and area of societal intervention, while the sub–program level has a more limited and specific focus on a smaller target group and area of intervention.

The department uses qualitative and quantitative indicators, also called performance measures, to assess whether it is achieving the expected results and contributing to the strategic outcomes. Performance measurement and reporting is used across the department in a variety of means using differing types of data sources, a mixture of formats and collection frequency. Using a systematic method to develop, communicate, monitor and report performance information provides a uniform foundation to achieve these outcomes. In an effort to better report on results of activities and to demonstrate value to Canadians, the department will continue to strengthen performance indicators in its Performance Measurement Framework.

This section describes how the department met the expected results indicated in the 2012-13 Report on Plans and Priorities and presents the financial and non-financial resources dedicated to each program and sub–program. We have included information for financial variances in Section I Summary of Performance. We provided explanations for FTE variances if these were significant. This section also identifies Transport Canada initiatives that are included in the FSDS.

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[19] Expected result is an outcome to which Transport Canada is contributing through various activities in its PAA.

[20] Performance indicator is a statistic or parameter that, tracked over time, provides information on trends in the condition of an activity.

[21] Target is a specific performance goal tied to a performance indicator against which actual performance will be compared.

Strategic Outcome 1: An Efficient Transportation System

An efficient transportation system requires a strong and modern marketplace policy framework and infrastructure to strengthen Canada's long-term economic competitiveness. Work is ongoing to ensure that policy and legislative frameworks remain relevant and allow industry to respond to challenges and take advantage of opportunities for the future. Transportation infrastructure initiatives create jobs, support trade and tourism, connect Canadians and attract investments.

The demands of global trade, population growth, an aging demographic and the effects of climate change require new and innovative solutions to keep Canada's transportation system efficient, accessible and competitive. Investing in the right technologies, research and skills development will enable the transportation sector to continue to support national prosperity.

The following four programs[22] and eight sub–programs[23] support this SO:

Programs	Sub– Programs		
1.1 Transportation Marketplace Frameworks	1.1.1 Air Marketplace Framework	1.1.2 Marine Marketplace Framework	1.1.3 Surface Marketplace
1. 2 Gateways and Corridors	1.2.1 Asia-Pacific Gateway and Corridor Initiative	1.2.2 Gateways and Border Crossings Fund	
1.3 Transportation Infrastructure	1.3.1 Airport Infrastructure	1.3.2 Marine Infrastructure	1.3.3 Surface Infrastructure
1.4 Transportation Innovation			

The sections below explain how we met the commitments presented in the planning highlights in Transport Canada's 2012-13 Report on Plans and Priorities[xxi]. We discuss actual results achieved against expected results below, with performance indicators and targets, at the program and sub–program level.

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[22] A program is defined as a group of related resource inputs and activities that are designed and managed to address specific needs, achieve intended results, and are treated as a budgetary unit. The program represents the largest identifiable programs that the department manages.

[23] Sub-programs are smaller identifiable programs that are logically part of the program

Program 1.1: Transportation Marketplace Frameworks

Description: The Transportation Marketplace Frameworks program encourages transportation efficiency by fostering a competitive and viable transportation sector. Program activities include setting the regimes governing the economic behaviour of carriers in all modes of transportation; setting the rules of governance for all the transportation infrastructure providers falling under federal authority; monitoring the transportation system; representing the interests of Canada at international transportation fora and on other international bodies; and enabling access to transportation for Canadians.

Performance Analysis and Lessons Learned

Transport Canada assessed the current air and marine policy frameworks to ensure their responsiveness to trends that affect those transportation modes and to promote a competitive and viable transportation system that supports trade opportunities. We have identified preliminary issues with the marine policy framework and are undertaking a detailed analysis. Building on efforts to date, we have taken an integrated approach to explore a broad range of longer-term policy issues related to the aviation sector in Canada.

Through its Blue Sky policy, Canada has negotiated new or expanded air transport agreements covering over 70 countries and now, according to the International Civil Aviation Organization[xxii] (ICAO), ranks third in the world for the number of open air transport agreements. An evaluation of the Blue Sky policy was conducted in 2012, and it found that the objectives of the policy were met in an efficient manner. In addition, the ratification of the Cape Town Convention and Aircraft Protocol[xxiii] will help to strengthen airline and aerospace industries through an international legal framework for the financing of aircraft equipment. This Convention has the potential to result in significant savings for Canadian air carriers when purchasing aircraft, which will contribute to the carriers' competitiveness.

We are implementing responses to the recommendations of the comprehensive review of rail freight service that aims to improve the efficiency, effectiveness and reliability of the rail system and help the rail system support domestic and international trade. We completed the facilitation process on developing a service agreement model and commercial dispute resolution process to address railway freight service issues and system inefficiencies. In December 2012, the Minister of Transport tabled the *Fair Rail Freight Service Act*, which made amendments to the *Canada Transportation Act*[xxiv] on service agreements between shippers and railways. The legislation received Royal Assent on June 26, 2013.

We also monitored and analyzed the freight transportation system and engaged with transportation sector partners and stakeholders. We are developing a data management strategy to ensure the availability and accuracy of capacity and performance data. Discussions were held with transportation service providers and select shippers to identify their data needs, as well as freight transportation impediments, and to develop potential solutions. We also engaged the trucking industry on various issues and initiatives, including those related to the Canada–U.S. border, weights and dimensions, safety and competition issues.

Bringing together various transportation-sector stakeholders, including carriers, shippers and government agencies, is important not only to address transportation system challenges and opportunities and overcome impediments, but also to maintain knowledge of trends and developments and achieve a national perspective on transportation issues. Within the department, collaboration across disciplines, regions and modes is crucial in developing policies that address stakeholder issues.

Financial Resources – 1.1: Transportation Marketplace Frameworks ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
9	9	10	9	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
67	75	(8)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A competitive transportation sector	Percentage change in freight transportation intensity	>0	Rail (2010 data) +5.4 percent Marine (2011 data) + 4.0 percent Truck for Hire (2009 data) -0.9
A competitive transportation sector	Percentage change in passenger transportation intensity	>0	Rail (2012 data) +1.8 percentage point Air (2011 data) +0.2 percentage point

The FTE variance is a result of the fact that the workload under this program required a larger number of employees than planned within the allotted budget.

The freight objective of this program was met in the rail sector. In the case of trucking, trans-border demand dropped by 3.3 percent, which drove the indicator lower. Trans-border demand has been affected by a fragile U.S. economic recovery and a decline of

1.2 percentage points in the modal share of trucking in Canada-U.S. trade. For the marine sector, the number of tonnes handled at Canadian ports in 2011 increased over 2010 levels, but at a lower rate than the number of port calls made by vessels, yielding an overall 4 percent drop in the average tonnes handled per port call.

The increase in air and rail passenger intensity reflects airlines' and VIA Rail's efforts to keep capacity closely aligned with demand. Air passenger data for 2012 is not yet fully available.

Sub–program 1.1.1: Air Marketplace Frameworks

Description: The Air Marketplace Framework program encourages transportation efficiency by fostering a competitive and viable air industry, including airlines, airports and NAV CANADA. It provides opportunities for Canadian airlines to grow and compete successfully in a more liberalized global environment and sets the governance regimes of national air infrastructure providers. Program activities include establishing laws and regulations (e.g., *Canada Transportation Act, Air Canada Public Participation Act*); governing the economic behavior of air carriers and air infrastructure providers; encouraging competition and the development of new and expanded international air services to benefit travellers, shippers and the tourism and business sectors by managing bilateral and multilateral air service relations; working collaboratively with other government departments and industry stakeholders to promote air transport facilitation policies and initiatives in support of broader Government of Canada industry, trade, travel and tourism objectives, such as Gateways and Corridors initiatives and the Blue Sky international air policy; and representing the interests of the Canadian aviation sector at the ICAO.

Financial Resources – 1.1.1: Air Marketplace Frameworks ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used)2012–13	Difference 2012–13
4	4	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
32	30	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A competitive air transportation sector	Percentage change in Passenger-kilometres generated by aviation in Canada (domestic and international)	>1 percent	Revenue Passenger Kilometres (RPK) 2012 - 224.0 billion (estimate) 2011 – 219.1 billion Change in RPK

			[+4,8 billion (+2.2 percent)]
A competitive air transportation sector	Percentage change in Tonne-kilometres generated by aviation in Canada (domestic and international)[24]	>1 percent	Good Tonne-Kilometres (GTK) 2012 – 3.8 billion (estimate) 2011 – 3.9 billion Change in GTK 0.1 billion (2.9 percent) Change in GTK 0.1 billion (-2.9 percent)

While air traffic was up 4.5 percent when measured in terms of passengers, the growth in revenue passenger-kilometres was somewhat more modest at 2.2 percent. The past year was characterised by service reduction on long-haul flights, particularly to Asia and Europe, and increased flights to sun destinations, which have a smaller distance travelled, hence lower RPK. The domestic market RPK grew 4.6 percent, in line with passenger traffic growth of 5.3 percent. The international sector (U.S. and all other countries) grew by 1.6 percent and by 3.9 percent on a passenger count basis, clearly showing that international air travellers were flying on average shorter distances. This change in demand can be attributed at least in part to the current global economic situation, which has slowed travel to Europe and Asia, while Canadians continue to display a strong appetite for U.S. and sun destinations.

While there was an overall growth in the number of air passengers carried in 2012 (compared to 2011), cargo carried by air experienced a decrease of an estimated 1.5 percent in the number of tonnes and an overall decline of 2.9 percent in terms of tonne-kilometres in 2012. The International Air Transportation Association noted a similar trend worldwide, as a result of the substantial decline in world trade, and a shift to trade in commodities, which are more suited to sea shipping.

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[24] Tonne-kilometres are a measure of air cargo demand, commonly used in the industry, that is calculated by summing the distance travelled by each tonne of air freight. This indicator measures the demand for air cargo by capturing the volume of cargo shipments and the distance goods are transported.

Sub–program 1.1.2: Marine Marketplace Frameworks

Description: The Marine Marketplace Framework program encourages transportation efficiency by ensuring the appropriate economic policy and legislative frameworks in order to foster a competitive and viable Canadian marine industry. The program is responsible for developing policies, legislation and regulations, such as the *Canada Marine Act* and its regulations, and the *Marine Liability Act*; monitoring the Canadian marine industry and ports system; establishing the rules of governance for Canada Port Authorities; negotiating/adopting international conventions and agreements; establishing the economic regimes governing market entry to both the Canadian marine marketplace and Canadian international marine trade; representing the interest of Canada's marine sector in international forums such as the International Maritime Organization; and setting the marine transportation liability regime.

Financial Resources – 1.1.2: Marine Marketplace Frameworks($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
2	2	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
17	22	(5)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A competitive marine transportation sector	Percentage change in trans-border tonnage handled by Canadian carriers (vessels)	>2 Target date: 2014	Transborder tonnage 2011 – 37.4 million 2010 – 39.8 million Absolute change : -2.4 million (-6.0 percent)
	Percentage change in North American traffic handled by Canadian ports	>2 Target date: 2014	2011 – 195.7 billion tonne-km 2010 – 214.8 billion tonne-km Absolute change – 19 billion (-8.9 percent)

Trans-border marine tonnage by Canadian vessels declined by 6 percent, in line with the 6.2 percent decline in overall marine tonnage for all vessels, independent of nationality and with the 8.9 percent decrease in North American traffic handled by Canadian ports. However, the value of marine shipments between the U.S. and Canada increased by 19.5 percent during this period, indicating a changing mix of commodities and an increase in the value per tonne of goods involved in trans-border trade. Other contributing factors for the decline include modal switching (to rail, trucks, etc.), a declining share of imports/exports to/from the U.S. and the general state of the U.S. economy.

Sub–program 1.1.3: Surface Marketplace Frameworks

Description: The Surface Marketplace Framework program encourages transportation efficiency by fostering healthy and competitive rail, motor carrier and bus industries in Canada. The program develops, oversees and implements policy frameworks, legislation, regulations and international agreements such as the *Canada Transportation Act* (Part 3 – Railway Transportation); oversees freight rail services and the relationships between railways and shippers and passenger rail operations; administers statutory payments to Canadian National (CN) Railway Company for certain pensioners; administers the grain hopper car operating agreements with CN and Canadian Pacific Railways and the Grain Monitoring Program; establishes economic regimes governing access to the rail industry, the relationships between main freight rail lines and each of shippers, communities, passenger railways and short line railways; reviews mergers and acquisitions involving surface modes; reviews conditions of entry into the commercial trucking and bus marketplace; and works with provinces, territories and North American partners to harmonize rules affecting surface transportation, such as *North American Free Trade Agreement* trucking standards.

Financial Resources – 1.1.3: Surface Marketplace Frameworks ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
3	3	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
18	22	(4)

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
An efficient surface transportation sector	Percentage change in traffic volume (in tonne-km) of rail and motor carriers	<2 percent Target 2014	Class 1 Railways[25] 2011–337.9 billion 2010–327.8 billion Absolute Change: +10.1 billion (+3.1 percent) Truck for Hire 2011–136.4 billion 2010–136.4 billion

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[25] Class I – A railway company that realized gross revenues of at least $250,000,000 for the provision of Canadian rail services in each of the two calendar years before the year in which information is provided pursuant to Part II of the Carriers and Transportation and Grain Handling Undertakings Information Regulations.

			Absolute Change +1.1 billion (+ 0.8 percent)

Rail traffic volume increased due to greater demand for natural resources and an increase in the movement of crude oil by rail. All commodities, except iron ore, autos and auto parts reported increased tonnage in 2011. Trucking tonne-kilometre was relatively flat in 2011 in Canada with the domestic sector increasing by 0.8 percent, despite a 2.5 percent increase in Gross Domestic Product. The trucking sector may have been affected by the fact that the manufacturing sector did not grow as strongly as the bulk-heavy natural resource sector in 2011.

Program 1.2: Gateways and Corridors

Description: Canada is a trading nation, and the efficiency and reliability of this trade impacts directly on the nation's prosperity and well-being. As a result, it is imperative that the federal government play a role in the development of an integrated transportation network linking importers and exporters to markets and suppliers in the increasingly complex global value chains. Guided by the National Policy Framework for Strategic Gateways and Trade Corridors[xxv], the Gateways and Corridors program aims at supporting Canada's international commerce by creating more efficient, reliable and seamless trade-related transport systems in Canada. The program sets strategies and frameworks for improving and integrating transportation networks in key regions; fosters partnerships between all levels of government and the private sector; supports and oversees projects that contribute to the increased capacity and efficiency of gateway and corridor infrastructure; develops and puts in place measures that remove impediments to the effective development of gateways and corridors; and markets the use of gateways and corridors.

Performance Analysis and Lessons Learned

With Canada's Economic Action Plan, the federal government continues to invest in Canada's Gateways[xxvi]. Canada's world-class gateways and transportation corridors are essential to building a strong and competitive economy, enhancing our global competitiveness and supporting economic prosperity throughout the country. In 2012-13, Transport Canada continued to advance, develop and implement Canada's three strategic gateways and corridors initiatives: the Asia-Pacific Gateway and Corridor Initiative (APGCI) [xxvii], the Continental Gateway and Trade Corridor[xxviii] and the Atlantic Gateway and Trade Corridor.[xxix]

These gateway initiatives are having concrete impacts:

- APGCI: During this period, we completed the 80th Street Overpass project in British Columbia's Lower Mainland (part of the Roberts Bank Rail Corridor program). We started 11 infrastructure projects and signed eight contribution agreements (supporting eight separate infrastructure projects). In addition, in October 2012, we conducted an open call for proposals. We undertook outreach and non-infrastructure competitiveness activities to maximize the impact of infrastructure investments, including pan-Western consultations on APGCI priorities, the launch of a data portal to provide access to supply chain performance metrics, the ongoing facilitation of the Asia-Pacific Gateway Performance Table and the implementation of the Government of Canada's response to the Rail Freight Service Review. Please refer to Section III, 3.3 Supplementary Information of this report for additional information.

- Continental Gateway and Trade Corridor: In Quebec, Transport Canada signed contribution agreements to provide funding for improvements to the Port of Sept-Îles and the Port of Montreal. As an example of the impact of investing in infrastructure on the Canadian economy, the expansion of the Port of Sept-Îles will allow for the creation of about 5,800 direct jobs. The department also signed a contribution agreement with the Société de développement économique du Saint-Laurent to fund an update of the 2008 study on the St. Lawrence-Great Lakes Corridor. In addition, Transport Canada continued its collaboration with la Grappe métropolitaine de logistique et transport de Montréal (Cargo M) on freight transportation issues in the Montreal area. In Ontario, Transport Canada continued collaborating with the Ministry of Transportation, Metrolinx and the Peel Region on urban goods movement.
- Atlantic Gateway and Trade Corridor: Significant progress has been achieved in advancing the implementation of the Atlantic Gateway and Trade Corridor Strategy in collaboration with the Federal-Provincial Officials Committee, the Atlantic Gateway Advisory Council and other stakeholders. In 2012-13, nine Atlantic Gateway infrastructure projects funded under the Gateways and Border Crossings Fund were completed or neared completion and six projects were under way. In addition, we undertook over a dozen marketing activities over the course of the year to promote the Atlantic Gateway as an efficient, reliable and secure transportation solution both regionally and internationally.

The Detroit River International Crossing[xxx] project is progressing well and reaching key milestones. Detailed information can be found in Section 1.2. The crossing will provide necessary border crossing capacity to handle anticipated trade and traffic growth, as well as transportation-system redundancy and state-of-the-art border security operations at Windsor-Detroit–the busiest commercial land border crossing in North America.

Transport Canada is also leading the development and timely implementation of transportation-related initiatives as set out in the Canada–U.S. Beyond the Border Action Plan[xxxi] in partnership with relevant Canadian and U.S. government agencies. In 2012–13, this included an announcement of funding for infrastructure upgrades at four key border crossings, development of the first binational border infrastructure investment plan, and the announcement of truck cargo pre-inspection pilot projects at the Pacific Highway and Peace Bridge border crossings.

Since 2006, through detailed system analysis and program delivery under the APGCI and the Gateways and Border Crossings Fund, Transport Canada has learned various lessons on the most effective means of identifying and developing strategic projects, including:

- gathering data and conducting analysis to provide objective and empirical evidence to support policy decisions, recommendations and infrastructure investments;
- articulating eligibility processes and criteria to provide a high level of transparency and support engagement and collaboration;
- implementing an efficient and robust selection process to ensure projects are financially viable and able to be completed on time, while employing multidisciplinary teams to apply merit- and system-based selection criteria founded on analytical evidence;
- proactively engaging stakeholders and creating extensive networks to address a variety of regulatory and governance challenges and to maximize resources; and
- promoting and marketing Canada's transportation assets, nationally and regionally, and reaching out at the international level to maintain Canada's competitiveness.

Financial Resources – 1.2: Gateways and Corridors ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
1,063	1,063	1,057	396	667

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
63	79	(16)

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Gateways and corridors are efficient, reliable and support international commerce	Efficiency and reliability as measured by total transit time of international containerized freight using Canada's strategic gateways and trade corridors	Total transit time for a given year ≤ total transit time for the previous year	2011-12 = 7.0 days 2012-13 = 7.4 days Percent change = 5.7

The FTE variance comprises two elements: (1) a variance of 11 FTEs due to transfers made during the fiscal year from other program areas, and (2) a variance of five FTEs due to new funding that was provided in Budget 2012 for APGCI.

With respect to the expected result, the increase of 0.4 days in transit time for containers transiting through Canadian ports in 2012-13 (compared to the 2011-12 period) was primarily due to seasonality factors. Transit times increased for containers being imported through the Asia–Pacific Gateway during the winter months of 2013 due to very harsh winter conditions in Canada, causing the overall Canadian port average time for the year to increase by 0.4 day.

Sub–program 1.2.1: Asia-Pacific Gateway and Corridor Initiative

Description: The rapid economic growth of China and other Asia-Pacific countries is reshaping global trade flows. China is now Canada's second largest trading partner and the growth in Canada-Asia trade traffic is expected to continue. The Asia-Pacific Gateway and Corridor Initiative program works to make Canada the best trade link between Asia and North America. This program coordinates and manages an integrated set of investment (through direct delivery and contributions) and policy measures to boost Canada's commerce with the Asia-Pacific region; increases the share of North America-bound container imports from Asia; and improves the reliability of the Gateway and Corridor.

Financial Resources – 1.2.1: Asia-Pacific Gateway and Corridor Initiative($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
205	157	48

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
11	16	(5)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canada's Asia-Pacific Gateway and Corridor is efficient, reliable and attracts international trade	Efficiency[26] and reliability as measured by total transit time of international containerized freight using the Asia-Pacific Gateway and Trade Corridor	Total transit time for year X ≤ total transit time for year X-1 (prev. year) Target date: 2014	2010-11 = 8.7 days 2011-12 = 8.3 days 2012-13 = 8.8 days 2011-12 percent change =-4.6 percent 2012-13 percent change = 6.0 percent
Canada's Asia-Pacific Gateway and Corridor is efficient, reliable and attracts international trade	Change in Volume of twenty-foot equivalent unit (TEU) imports and exports as a share of the North	2 percent Target date: 2014	The Canadian market share is as follows: 2010: 11.40 percent 2011: 11.71 percent

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[26] The indicator measures the Canadian landside journey/transit time (only) of imported containerized goods originating from the Asian ports of Hong Kong and Shanghai first landing at the ports of Prince Rupert and Vancouver and the time to reach Toronto.

	American West Coast trade		

The increase in transit time is primarily the result of the winter months, causing the average transit time to increase 6.0 percent from the previous period (2011-12).

The Canadian market share has grown by 0.31 points from 2010-11, translating into a year-over-year growth of 2.72 percent.

Sub–program 1.2.2: Gateways and Border Crossings Fund

Description: The Gateways and Border Crossings Fund program works to improve the flow of goods between Canada and the rest of the world by looking at policy measures and by enhancing infrastructure at key locations, such as major border crossings between Canada and the United States, including the new Windsor-Detroit crossing. It focuses on two key initiatives, namely the Ontario-Quebec Continental Gateway and Trade Corridor and the Atlantic Gateway.

Financial Resources - 1.2.2: Gateways and Border Crossing Fund ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
857	239	618

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
52	63	(11)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canada's strategic Gateways and Corridors are efficient, reliable and are used for international trade	Efficiency and reliability as measured by total transit time of international containerized freight using the Continental and Atlantic trade corridors	Total transit time for year X ≤ total transit time for year X-1 (prev. year)	2011-12: 4.34 days 2012-13: 4.29 days Percent change: -1.15
Canada's strategic Gateways and Corridors are efficient, reliable and are used for	Percentage change in value of imports and exports using strategic gateways and corridors	>0 percent Target Date: 2014	The total combined value of trade for Ontario, Quebec and the Atlantic provinces: • 2010-11:

international trade			$609.591 billion • 2011-12: $656.455 billion

The variance of $618 is mainly attributed to delays in the approval and delivery of infrastructure projects, delays in property acquisition related to the Detroit River International Crossing and changes to scheduling of preliminary engineering studies for the new bridge for the St. Lawrence.

Results indicate a reduction of 1.15 percent in the transit time over the 2011-12 period. In terms of overall changes in international trade, for fiscal years 2010-11 to 2011-12, the value of Canada's international trade for the Ontario, Quebec and Atlantic Regions grew by 7.68 percent (from $609.6 billion to $656.5 billion). Note: 2012-13 data is not available.

Program 1.3: Transportation Infrastructure

Description: The Transportation Infrastructure program looks after transportation infrastructure under Transport Canada's mandate to improve efficiency and provide service. The program acts as the steward of certain commercial transportation assets operated by third parties on behalf of the federal government (airport authorities, port authorities, federal bridges, VIA Rail, Seaway, Marine Atlantic); provides funding for Canada's strategic transportation infrastructure, targeted to support federal objectives; develops transportation infrastructure policy in consultation with stakeholders; supports essential services in certain communities; manages legacy commitments; and divests assets and contracts out operations, where needed.

Performance Analysis and Lessons Learned

In 2012–13, Transport Canada delivered contribution funding under transportation infrastructure programming across Canada. Numerous new agreements were concluded to advance transit and highway infrastructure projects. Regional and remote rail programming was streamlined to ensure that essential services are provided to communities not served by other reliable transportation services year round. We also funded the delivery of multiple projects under the Outaouais Road Agreement[xxxii], the Building Canada Fund[xxxiii], the Border Infrastructure Fund and the Canada Strategic Infrastructure Fund (the department delivered some of these projects on behalf of Infrastructure Canada[xxxiv]). Most of the funds have been allocated to projects, as many of these programs are nearing completion.

We developed long-term, cost-efficient asset strategies for Transport Canada-owned and -operated airports and ports. Transport Canada continues to recognize that the best long-term solution for these assets is their transfer to local communities in order to better respond to local needs. As well, a process was initiated to strategically dispose of over

5,000 acres of property no longer required for the operation of the St. Lawrence Seaway, as well as to sell other real property land holdings no longer required for operations. Finally, Transport Canada continued to work on the development of a land use management strategy for the Pickering Lands, including work to transfer a portion of these lands to Parks Canada.

We continued to improve the efficiency of Canadian marine transportation through the Port Divestiture program. Through Canada's Economic Action Plan, the federal government committed $27.3 million for 2012-13 and 2013-14 to support the divestiture of port facilities and the continued operation and maintenance of federally owned ports. To date, 489 of the 549 sites identified for divestiture at the outset of the program in 1995 have been divested. This represents an 89 percent success rate.

We provided support to VIA Rail's implementation of the nearly $1-billion major capital program funded by the Government of Canada, which includes $60 million from Budget 2012. These capital investments should improve the efficiency and reliability of VIA's services by renewing train equipment, expanding track capacity, upgrading stations and undertaking other strategic projects.

A single-window approach to transportation infrastructure, with a common template for contribution agreements and a shared risk and project management process allows Transport Canada to provide our clients with an increased level of reliability and service and allows us to focus our efforts on higher-risk projects. These will be valuable lessons to take forward as we renew federal infrastructure funding.

Financial Resources – 1.3 : Transportation Infrastructure ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
309	309	331	310	(1)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
241	236	5

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Federally funded infrastructure is available, reliable and operational	Percentage of federally funded transportation infrastructure that meets operational targets	100 percent	100 percent

This program achieved its expected result with 100 percent of infrastructure available, reliable and operational.

Sub–program 1.3.1: Airport Infrastructure

Description: In keeping with the National Airports Policy, the Airport Infrastructure program looks after airport services under federal purview for the benefit of Canadian travellers and businesses. It provides stewardship of airport authorities, operates airports in certain communities and manages other airports' infrastructure legacy commitments.

Financial Resources – 1.3.1 : Airport Infrastructure ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
40	40	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
127	116	11

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Airport infrastructure is available to users	Percentage of federally supported airport infrastructure that is operational	100 percent	100 percent

The sub–program achieved its expected result with 100 percent of infrastructure operational.

Sub–program 1.3.2: Marine Infrastructure

Description: The Marine Infrastructure program operates from a commercially based policy framework and supports Canadian trade by making marine assets available for commercial use. The program is delivered by methods such as providing stewardship of assets operated by third parties, providing direct public sector delivery and managing contribution agreements. The program acts as steward of Canada Port Authorities and the lands they manage; operates and divests Transport Canada's public ports; acts as steward of and provides support to remote, regional and constitutionally mandated ferry services; and acts as steward of and provides support to the Canadian portion of the Seaway.

Financial Resources – 1.3.2: Marine Infrastructure ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
172	164	8

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
57	75	(18)

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Marine infrastructure is operational and available to all users	Percentage of marine infrastructure operational	100 percent	100 percent

The sub–program achieved its expected result with 100 percent of marine infrastructure operational.

Sub–program 1.3.3: Surface Infrastructure

Description: The Surface Infrastructure program supports Canada's trade and mobility by fostering efficient and economic access to surface transportation networks while furthering transportation safety. The program develops, designs, negotiates and manages federal funding for highways, borders, railways, transit and federal bridges; works with provinces, territories and other partners to develop infrastructure programs and policies, with a particular focus on the National Highway System; acts as steward for VIA Rail and federal bridges; and manages regional rail service legacy commitments.

Financial Resources – 1.3.3: Surface Infrastructure ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
97	106	(9)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
57	45	(12)

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Federally funded surface infrastructure projects are completed and available to users	Percentage of federally funded surface infrastructure operational	100 percent	100 percent

The sub–program achieved its expected result with 100 percent of federally funded surface infrastructure operational.

Program 1.4: Transportation Innovation

Description: The Transportation Innovation program supports the Advantage Canada framework to promote skills development and create health, environmental, societal and economic benefits for Canadians. It achieves this by building better linkages between science and policy, supporting technology development aligned with policy issues of significance to the department, and serving as a focal point in the delivery of a coordinated and integrated transportation innovation agenda. The program sets policy and strategic direction for research and development; develops, designs, negotiates, and manages research programs for breakthrough technologies, including intelligent transportation systems; advances the development and dissemination of scientific knowledge and the application of technology; partners and collaborates with other federal departments, provinces and territories; and supports skills development for a highly qualified transportation workforce.

Performance Analysis and Lessons Learned

In 2012–13, Transport Canada promoted innovation in the transportation sector with a focus on encouraging the deployment of innovative technologies and practices to enhance transportation system performance and productivity. This work supports the department's efforts to assess and renew its policy framework for a competitive and modern transportation system. It also supports the Advantage Canada Framework[xxxv], a strategic, long-term economic plan designed to improve Canada's economic prosperity.

Transport Canada conducted 18 research and development projects in close alignment with two strategic research priorities, namely longer-term safety and security and cold climate technologies. Research in these areas is highly leveraged with industry and academia in areas such as aviation ground icing prevention, improving security screening at ports and airports and minimizing the effects of permafrost degradation on northern infrastructure.

Through the Northern Transportation Adaptation Initiative[xxxvi], we act as a knowledge broker, bringing together experts from provincial and territorial governments, academia and industry to address transportation challenges related to permafrost degradation and Arctic marine shipping. Initiatives addressed the most pressing transportation issues facing the North and included climate change vulnerability assessments of critical northern infrastructure, as well as evaluations of innovative tools and technologies. We also formed strategic partnerships with territorial governments and universities, resulting in two agreements being signed: one with the Government of Nunavut (to study permafrost under the Iqaluit Airport) and another with the Université de Montréal (to develop innovative modelling tools to adapt northern transportation infrastructure).

In the Intelligent Transportation Systems [xxxvii]area, we completed 14 projects, including the development of a strategic plan and architecture for British Columbia, advanced traveller information for Alberta, implementation of a transportation management centre in the Region of Waterloo, a wind management system for the Confederation Bridge and general awareness building and education activities across Canada. In addition, five new technology projects were approved and eight projects are ongoing that will be completed in 2013–14.

Innovative technologies have the potential to improve the efficiency, safety and security of the Canadian transportation system. For instance, developing new de-icing products and new aircraft materials will make for an even safer aviation sector, and a number of innovative technologies, if and when implemented, can lead to reduced security risks at airports and ports.

Financial Resources – 1.4: Transportation Innovation ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
14	14	14	9	5

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
31	22	9

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Research and development investments are optimized to improve the transportation system for Canadians.	Ratio of research and development funding leveraged from external sources	1:1	The ratio of research and development funding leveraged from external sources was 3.5:1 (including in-kind contributions)
Research and development funding provided to support efficient, clean, safe and secure transportation.	Percentage of approved funding delivered	100	100 percent

The FTE variance is explained by employees on leave, retiring, leaving the department and/or taking assignment positions within the department that were not replaced in keeping with Budget 2012 cost reduction measures.

The program exceeded its expected results; the ratio of research and development funding leveraged from external sources was 3.5:1 (this includes in-kind contributions). All (100 percent) of the approved funding available for research and development was used to conduct research and development activities on a portfolio of 18 projects.

Strategic Outcome 2: A Clean Transportation System

Transport Canada takes a leadership role in ensuring an environmentally responsible transportation system while balancing safety, security and economic efficiency. This means playing a key role in furthering the transportation sector components of the Government of Canada's environmental agenda. We do this by helping reduce pollution and emissions from transportation sources; protecting the marine and freshwater environment; and fulfilling the important stewardship role of ensuring that Transport Canada's lands, facilities and activities comply with environmental legislation, including the use of an environmental management system.

Transport Canada also plays a strong leadership role as it engages with national and international partners to limit the environmental impacts of transportation. The department also contributes to the Government of Canada's initiatives to improve federal regulatory reviews, including for environmental assessments of major resource projects and ensuring improvements to our own regulatory, consultation and review processes for transportation-related projects.

The following three programs and four sub-programs support this strategic outcome:

Program	Sub-Program	
2.1 Clean Air from Transportation	2.1.1 Clean Air Regulatory Framework and Oversight	2.1.2 Clean Air Programs
2.2 Clean Water from Transportation	2.2.1 Clean Water Regulatory Framework	2.2.2 Clean Water Regulatory Oversight
2.3 Environmental Stewardship of Transportation		

The sections below explain how we met the commitments presented in the planning highlights in Transport Canada's *2012-13 Report on Plans and Priorities*[xxviii]. We discuss actual results achieved against expected results, with performance indicators and targets, at the program and sub–program level.

Program 2.1: Clean Air from Transportation

Description: The Clean Air from Transportation program advances the federal government's environmental agenda in the transportation sector and complements other federal programs designed to reduce air emissions for the health of Canadians and the environment for generations to come. The program regulates air emissions from the transportation sector and oversees Transport Canada's Clean Air from Transportation program obligations and commitments.

Performance Analysis and Lessons Learned

In 2012-13, Transport Canada led the Government of Canada's participation at the International Maritime Organization[xxxix] to advance the development of measures to reduce greenhouse gas emissions from international maritime shipping. The proposed Regulations Amending the Vessel Pollution and Dangerous Chemicals Regulations were pre-published in the *Canada Gazette*, *Part I* and preparations were made for publication of the final regulations in the 2013-14 fiscal year. These regulations implement the North American Emission Control Area to limit air pollutant emissions from ships, the Energy Efficiency Design Index and Ship Energy Efficiency Management Plan to address greenhouse gas emissions from ships, standards related to managing greywater (drainage from showers, sinks and laundry), and requirements for ship-to-ship oil transfer.

Building on the success of the world's first voluntary agreement to address greenhouse gas emissions from aviation, Transport Canada and the Canadian aviation industry completed the development and release of Canada's Action Plan to Reduce Greenhouse Gas Emissions from Aviation.[xl] Stakeholder involvement was vital to this outcome. As a result of early and active engagement, the response to Canada's Action Plan at ICAO [xli] has been overwhelmingly positive and has been showcased as a best practice on a number of occasions. In addition, through a partnership with the Canadian Airports Council, Transport Canada, Toronto Pearson International Airport, Zurich Airport and Airports Council International, an Airport Carbon and Emissions Reporting Tool was developed to enable airport operators to calculate their own greenhouse gas emissions inventory. The tool is being made available to more than 1,600 airports worldwide.

We also supported the development of measures to address aviation greenhouse gas emissions at ICAO by participating in the experts group assessing potential options to address emissions from aviation by providing scientific and technical support to various working groups.

Development of the proposed Locomotive Emissions Regulations is under way, with pre-publication in the *Canada Gazette*, *Part I* expected to occur in the 2013–14 fiscal year. In collaboration with the U.S. Environmental Protection Agency, we also continued to work with key stakeholders to address greenhouse gas emissions from rail under the framework of the Regulatory Cooperation Council Locomotive Emissions Initiative.

We launched calls for proposals under the Truck Reservation System program and the Shore Power Technology for Ports program. Through both of these initiatives, Transport Canada will support six new projects at various Canadian ports. For example, the Port of Halifax will implement shore power for cruise ships, the Seaspan Ferries Corporation will install shore power at the Swartz Bay Terminal on Vancouver Island and the Port of Metro Vancouver will install global positioning system (GPS) technology to improve port trucking efficiency and environmental performance.

Research on new technologies and practices for emissions reduction and measurement for the rail and marine sectors continued in 2012-13. For the rail sector, we created the Clean Rail Academic Grant program and provided federal funds to academics currently developing technologies and practices that aim to reduce air pollutant emissions. In addition, we completed a technology scan to determine what emission control technologies are currently available in order to base realistic emission reductions in current and future regulations. This scan is beneficial for the rail industry as it provides information on tools and technologies available to meet air pollutant emission standards. For the marine sector, we completed inventories of port emissions for all Canada Port Authority ports.

Since its launch, the ecoTECHNOLOGY for Vehicles II program has tested 21 advanced vehicle technologies in partnership with North American environmental and safety regulators, presented results at industry forums and published 17 technical papers covering seven key technology areas to help advance the integration of new on-road vehicle technologies in a safe and timely manner. Transport Canada is working in collaboration with U.S. regulatory agencies to inform the development of aligned/harmonized North American safety and environmental regulatory approaches to new passenger vehicle and truck technologies. One challenge, however, continues to be the difference in Canadian and U.S. financial planning cycles. We will address this by engaging U.S. regulators earlier in the planning cycle to maximize opportunities to leverage joint testing activities.

In 2012-13, we launched the Canadian Vehicle Use Study (CVUS) to address data gaps and collect information for light-duty vehicles that in turn will inform Canada's vehicle greenhouse gas emission regulations. The CVUS was recently acknowledged as an international first in the Clerk of the Privy Council's Twentieth Annual Report to the Prime Minister on the Public Service of Canada. In addition, we also made progress to expand the CVUS to collect data from registered heavy-duty vehicles in Canada.

Financial Resources – 2.1: Clean Air from Transportation ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
25	25	25	19	6

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
92	87	5

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Decrease in intensity of greenhouse gas emissions and air pollutants in the transportation sector	Percentage change in transportation emission intensity	An intensity improvement that is consistent with the plan established under the government's horizontal approach to clean air Target date: 2020	From 2005-2010 Freight transportation: increase from 82 grams to 94 grams per tonne-km. Passenger transportation: decrease from 142 grams to 128 grams of carbon dioxide per passenger-km.

While all freight transportation modes have become more efficient (and less greenhouse gas intensive) between 2005 and 2010, which is the last year data was available, the increased reliance on trucks to move freight has increased the overall intensity of greenhouse gases in freight transportation from 82 grams to 94 grams per tonne-km. For passenger transportation, between 2005 and 2010, the greenhouse gas intensity of passenger transportation decreased from 142 grams to 128 grams of carbon dioxide per passenger-km during that same period.

Sub–program 2.1.1: Clean Air Regulatory Framework and Oversight

Description: Deriving its authority from the *Railway Safety Act*, the *Canada Shipping Act, 2001*, the *Motor Vehicle Fuel Consumption Standards Act* and the *Aeronautics Act*, Transport Canada's Clean Air Regulatory Framework and Oversight program contributes to reducing the air emissions from transportation by creating and implementing regulatory regimes. The program sets the legal and regulatory frameworks that govern the transportation sector's air emissions; oversees transportation firms' compliance with their regulatory obligations; represents Canada in discussions to set international standards for air emissions in the transportation sector; and contributes to developing and implementing instruments to reduce air emissions from Canada's transportation sector.

Financial Resources – 2.1.1: Clean Air Regulatory Framework and Oversight ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
15	12	3

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
61	61	0

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Clean air regulatory framework (and policies) that align with international standards	Percentage of instruments that are aligned with domestic legislation or international standards	100 percent Target date: 2015	100 percent

The sub–program achieved its expected result. For aviation, 100 percent of instruments are aligned with domestic legislation and/or international standards. For marine, 100 percent of instruments are aligned with domestic legislation.

Sub–program 2.1.2: Clean Air Programs

Description: The Clean Air program advances the federal government's environmental agenda in the transportation sector by promoting and demonstrating ways to reduce transportation greenhouse gas emissions and other air pollutants; promoting, testing and demonstrating advanced vehicle technologies to reduce transportation greenhouse gas emissions and other air pollutants from motor vehicles; creating partnerships; and designing, negotiating and managing initiatives for transportation emission reduction. Specific initiatives are the Clean and Safe Vehicle Technology program, the Marine Shore Power for Ports Initiative and the Reducing Truck Idling at Ports Initiative.

Financial Resources – 2.1.2: Clean Air Programs ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
10	7	3

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
32	26	6

Performance Results

Expected Results	Performance Indicators	Target	Actual Results

Clean Transportation technologies are available to users	Number of sites using clean transportation technologies	10 Target date: 2015	5

As of March 2013, Clean Air initiatives have contributed to projects at five sites. The Shore Power Technology for Ports program has contributed to the installation and commissioning of shore power technology in four ports across Canada. With respect to the Truck Reservation System program, one site (Port Metro Vancouver) is currently using clean transportation technologies. A second call for proposals was initiated for the Shore Power Technology for Ports program and additional contribution agreements are expected under the Truck Reservation System program[xlii]. Overall, the program is on track to meet its 2015 performance target.

Program 2.2: Clean Water from Transportation

Description: The Clean Water from Transportation program protects the marine environment by reducing the pollution of water from transportation sources. This program regulates and monitors the release and impact of discharges from marine vessels into the marine environment, regulates ballast[27] water and contributes to setting domestic and international rules that govern limits to liability of marine pollution incidents. This program advances the federal government's clean water agenda in the transportation sector and complements other federal programs designed to protect the marine environment for the health of Canadians and the environment for generations to come. This program also represents Canada in discussions to set international standards to prevent pollution from vessels operating in Canada's waters.

Performance Analysis and Lessons Learned

Transport Canada delivered on its commitment to protect the marine environment by contributing to the reduction of water pollution from transportation activity. National Aerial Surveillance program (NASP) pollution surveillance aircraft conducted surveillance in all regions of Canada. NASP continues to have a positive impact in deterring potential polluters who transit waters under Canadian jurisdiction.

We maintained an inspection program for vessels entering the Great Lakes and St. Lawrence Seaway that ensured 100 percent compliance before entering these waters by requiring corrective action when deficiencies in ballast water management were found. With respect to the percentage of ships in compliance with reporting rules for ballast water, 2012–13 saw 95 percent compliance at the national level.

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[27] Ballast is defined as any solid or liquid that is brought on board a vessel to increase the draught, change the trim, regulate the stability or maintain stress loads within acceptable limits.

The proposed Regulations Amending the Vessel Pollution and Dangerous Chemical Regulations include updates for standards for ship-to-ship transfers of oil, as well as new standards for greywater (drainage from showers, sinks and laundry).

As well, we announced a number of measures toward the creation of a World-Class Tanker Safety System[xliii], including the implementation of eight tanker safety measures, such as tanker inspections, systematic surveillance and monitoring of ships, an Incident Command System, pilotage programs, public port designations, scientific research, new and modified aids to navigation and modern navigation systems. As well, the *Safeguarding Canada's Seas and Skies Act* was introduced and a Tanker Safety Expert Panel was created to review Canada's current marine pollution preparedness and response regime and propose further measures to strengthen it.

Recognizing the importance of having program instruments (policies, procedures and work instructions) ready for implementation at the same time regulatory changes are introduced, we help ensure that all regulatory framework instruments are well integrated, properly balanced and synchronized with one another. This results in a much more adaptive framework and supports more effective and consistent adoption of the requirements.

Following senior-level discussions with the marine shipping industry on how consultations are carried out, we are making changes to the Canadian Marine Advisory Council to allow greater opportunity for stakeholder comment.

Financial Resources – 2.2: Clean Water from Transportation ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
2	2	7	7	(5)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
13	27	(14)

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
Prevention of pollution in the marine environment from vessels operating in waters under Canadian jurisdiction.	Percentage change in number of releases by vessels of substances that could have a negative impact on the marine environment (i.e. pollution, ballast	5 percent reduction Target date: 2017	50 percent

	water)		

The FTE variance is explained by the additional funding provided to the department for the World-Class Tanker Safety System initiative.

For 2012-13, there were 14 releases by vessels identified by the NASP that could have a negative impact on the marine environment. This is a reduction of 50 percent from the 2009-10 baseline of 28 releases, far exceeding the target.

Sub–program 2.2.1: Clean Water Regulatory Framework

Description: Guided by the *Canada Shipping Act, 2001*, the *Arctic Waters Pollution Prevention Act*, the *Marine Liability Act* and international conventions, the Clean Water Regulatory Framework program sets the legal and regulatory frameworks that govern the protection of the marine environment from pollution, the introduction of invasive species and the environmental impact of pollution incidents.

Financial Resources – 2.2.1: Clean Water Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
0	0	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
2	1	1

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
A modern clean water regulatory framework and policies that are harmonized with adopted international standards	Percentage of instruments that are aligned with domestic legislation and/or adopted international standards	95 percent Target date: 2017	100 percent

The sub–program exceeded its expected result.

Sub–program 2.2.2: Clean Water Regulatory Oversight

Description: The Clean Water Regulatory Oversight sub–program contributes to reducing pollution from vessel transportation by monitoring compliance of transportation firms within the Marine Safety regulatory framework through surveillance, inspections, audits, monitoring and enforcement.

Financial Resources – 2.2.2: Clean Water Regulatory Oversight ($ Millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
2	6	(4)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
11	27	(16)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Industry is compliant with the regulatory framework	Percentage industry compliance with regulatory framework for environmental response regime	95 percent Target date: 2017	100 percent
Industry is compliant with the regulatory framework for ballast water discharges in waters under Canadian jurisdiction	Percentage of vessels in compliance with Ballast Water Control and Management Regulations reporting rules	95 percent Target date: 2017	95 percent

The sub–program achieved its expected results. While the compliance rate prior to inspection is 95 percent, as previously noted, our follow-up inspection procedures for vessels entering the Great Lakes and St. Lawrence Seaway ensure 100 percent compliance before entering these waters.

Program 2.3: Environmental Stewardship of Transportation

Description: The Environmental Stewardship program fulfills Transport Canada's responsibilities in working towards an environmentally responsible national transportation system for Canadians by ensuring compliance with the department's environmental obligations in relation to acts, regulations, policies and guidelines. The program fulfills Transport Canada's responsibility to implement its Departmental Sustainable Development Strategy under the *Federal Sustainable Development Act*; ensures that Transport Canada's lands and facilities are managed in an environmentally responsible manner in compliance with federal legislation and policies; provides functional support for environmental assessments, including assessments of major resource projects; and manages contaminated sites.

Performance Analysis and Lessons Learned

Through Canada's Economic Action Plan 2012, the government is investing $165 million over two years to support Responsible Resource Development[xliv] and create jobs, growth and long-term prosperity while strengthening our world-class protection of the environment for future generations of Canadians. This investment includes renewing funding for Transport Canada's participation in the Major Projects Management Office[xlv]

Initiative. In 2012-13, Transport Canada worked with other departments to develop common procedures, guidance and project agreements to govern the environmental assessment and regulatory review of major resource projects under the Major Projects Management Office (MPMO) and Northern Projects Management Office (NPMO). We are currently involved in 55 of the 78 MPMO projects, and all milestones and service standards were met pursuant to project agreements. We are involved in all 33 projects under the NPMO initiative and signed three project agreements in 2012-13.

On July 6, 2012, the *Canadian Environmental Assessment Act (2012)* came into effect, establishing a new improved federal environmental assessment regime. To align with this new regime, Transport Canada undertook a major review of the Environmental Assessment program, including the clarification of roles and responsibilities and the development of a national framework for environmental reviews on federal lands.

Transport Canada is responsible for a wide range of transportation operations and over 700 properties, including owned and/or operated airports and ports. Operations include fleets of aircraft and vehicles, stores, warehouses and offices in central and remote sites across the country. Environmental performance at these sites is monitored through Transport Canada's National Environmental Management System. In 2012-13, we successfully reviewed and streamlined this system to increase efficiencies. Cost-saving measures were identified, such as multi-purpose visits to ensure departmental compliance with environmental legislation, to monitor remediation of contaminated sites and to follow up on environmental assessments.

In 2012–13, the department achieved 100 percent of our commitments under Themes I-III of the FSDS. Transport Canada contributes to Greening Government Operations (GGO) targets through Theme IV. The targets under Theme IV are national in scale and cover a wide range of activities, including reducing greenhouse gas emissions from our operations, improving the environmental performance of our buildings, reducing paper consumption and properly managing our electronic and electrical equipment. Transport Canada is in a good position to achieve, and in some cases exceed, all GGO targets. For additional details on Transport Canada's GGO activities, please see Section III, 3.3 Supplementary Information Tables of this report.

Financial Resources – 2.3: Environmental Stewardship of Transportation ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
33	33	46	20	13

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
89	101	(12)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Compliance with Transport Canada's environmental obligations in relation to acts, regulations, policies and guidelines	Percentage of departmental commitments achieved under the Federal Sustainable Development Strategy	100	100
Compliance with Transport Canada's environmental obligations in relation to acts, regulations, policies and guidelines	Number of instances where Transport Canada was not in compliance with applicable environmental legislation	0	0

The FTE variance is mostly due to a transfer to the Programs Group from another area of the department that was not reflected in the planned FTE numbers.

A total of 314 National Environmental Management System reviews were conducted in 2012-13. These reviews include 58 from the Environmental Protection program, 44 from the Environmental Evaluation and Mitigation program and 212 monitoring activities for environmental assessments completed under the former *Canadian Environmental Assessment Act*[xlvi] .

Strategic Outcome 3: A Safe Transportation System

Transport Canada supports a safe transportation system that aims to facilitate the movement of people and goods across Canada, without loss of life, injury or damage to property. The activities under this strategic outcome direct much of our collective effort to influence the behaviour of the public and industry through laws and regulations and can play an important role in contributing to the clean transportation strategic outcomes described in program 2.2. Transportation safety is enhanced by harmonized and streamlined regulatory regimes that are informed by the expertise of multiple countries and stakeholders. Sharing best practices and cooperating in research during the regulatory development stage results in effective and efficient regulatory frameworks that enhance transportation safety. In addition, Transport Canada ensures that Canadians and the transportation industry are in compliance with the regulatory framework through our safety oversight programs. These rules are complemented by policies, standards, directives and guidelines that further influence the use of safe transportation practices and foster a safety culture that seeks to make safety a part of every company's actions.

The following five programs and 18 sub–programs support this strategic outcome:

Program	Sub-Program			
3.1 Aviation Safety	3.1.1 Aviation Safety Regulatory Framework	3.1.2 Aviation Safety Oversight	3.1.3 Airports Capital Assistance	3.1.4 Aircraft Services
3.2 Marine Safety	3.2.1 Marine Safety Regulatory Framework	3.2.2 Marine Safety Oversight	3.2.3 Navigable Waters Protection	3.2.4 Divestiture of Marine Training
3.3 Rail Safety	3.3.1 Rail Safety Regulatory Framework	3.3.2 Rail Safety Oversight	3.3.3 Rail Safety Outreach	
3.4 Road Safety	3.4.1 Motor Vehicle Safety Regulatory Framework	3.4.2 Motor Vehicle Safety Oversight	3.4.3 Motor Carrier Safety	3.4.4 Road Safety Outreach
3.5 Transportation of Dangerous Goods	3.5.1 Transportation of Dangerous Goods Regulatory Framework	3.5.2 Transportation of Dangerous Goods Oversight	3.5.3 Emergency Response for the Transportation of Dangerous Goods	

The following sections explain how we met the commitments presented in the planning highlights of Transport Canada's 2012-13 Report on Plans and Priorities. We discuss actual results achieved against expected results, with performance indicators and targets, at the program and sub–program level.

Program 3.1: Aviation Safety

Description: The Aviation Safety program develops, administers and oversees the policies, regulations and standards necessary for the safe conduct of civil aviation within Canada's borders in a manner harmonized with the international aviation community. It also manages programs to support safety-related investments at regional/small airports and provides air transport services to support Transport Canada's and other government departments' operations.

Performance Analysis and Lessons Learned

In 2012-13, we enhanced the Civil Aviation safety management framework. We also delivered on the majority of the commitments made in the Civil Aviation action plan. As of the end of March 2013, we completed 77 percent of these commitments. All of the remaining commitments in the action plan will be completed by fall 2013. We addressed eight of the ten audit findings from the 2012 report by the Office of the Auditor General through the Management Response and detailed Action Plan, including the successful implementation of a national risk-based approach to oversight planning that considers surveillance and service activities (safety management systems and non-safety management systems [SMS]). An internal management review exercise held in June 2012 reviewed organizational risks and provided guidance on actions to mitigate the identified risk areas, as well as re-validated risk areas and alignment between business and operational risks.

To support risk-based inspection and operational decision making when conducting oversight activities, inspectors are equipped with risk-based surveillance planning tools and guidance material, such as the National Aviation Safety Information Management System, which is a risk indicator database, and the Surveillance Directive and Staff Instruction, which allows for the development of risk-based surveillance plans. We provide ongoing support and training to inspectors through communication, SMS training activities, as well as the improvement and publication of tools and guidance on surveillance procedures. Examples include delivery of e-learning modules and surveillance workshops to 474 inspectors across the country.

We finalized the Civil Aviation organizational structure by completing work descriptions and implementing classification decisions and staffing strategies. The Civil Aviation Steering Committee provided active oversight of the implementation plan. We developed transition, staffing and communication strategies in collaboration with human resources to support managers and employees during implementation of the new structure. We transitioned 75 percent of Civil Aviation positions and 78 percent of employees. We achieved all transition and integration activities within prescribed timelines.

The senior management decision to centralize management and monitoring of progress towards achieving commitments identified in the Civil Aviation action plan by April

2013 helped us identify trends or possible issues in implementing the action plan. The success in implementing the plan proved the benefit of this approach, which will be used in future activities as it ensures we take action in a timely manner by the numerous stakeholders involved in undertakings of this magnitude.

Financial Resources – 3.1: Aviation Safety ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
231	231	227	199	32

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1,803	1,622	181

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A safe civil aviation system	Number of accidents per 100,000 hours of flight (five year average)	6.5	6.1 accidents per 100,000 hours of flight

The FTE variance of 181 is explained by lower-than-expected FTE utilization as a result of the transition to the Civil Aviation Organization, as well as the realization of organizational efficiencies across the Aviation Safety program, including Aircraft Services. There have been no cuts to aviation inspectors.

The program exceeded its expected result.

Sub–program 3.1.1: Aviation Safety Regulatory Framework

Description: The Aviation Safety Regulatory Framework program develops and balances the use of policies, guidelines, regulations, standards and education based on risk to promote a safe and harmonized aviation safety framework for Canadians and air travellers in Canada and Canada's aviation industry.

Financial Resources – 3.1.1: Aviation Safety Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
31	23	8

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
261	174	87

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A risk-based regulatory framework consistent with international conventions, and major trading partners and Cabinet Directive on Streamlining Regulation	Percentage of policies, standards and regulations implemented that meet Cabinet Directive on Streamlining Regulation requirements	90 percent Target date: March 2015	No data to report.
A risk-based regulatory framework consistent with international conventions and major trading partners and Cabinet Directive on Streamlining Regulation	Percentage of identified aviation hazards and risks related to the regulatory framework that are assessed	100 percent Target date: March 2015	No data to report.

Aviation Safety completed an in-depth review of its key performance indicators in 2011-12 and 2012-13. As a result of this review, several indicators were replaced and are no longer in use.

The new indicator in use for the Aviation Safety Regulatory Framework sub–program measures the average cycle time (in years) to develop new or modified regulations governing aviation safety. The result of this indicator for 2012 was an average cycle time of 4.73 years compared to a target cycle time of 4.40 years during that period.

Sub–program 3.1.2: Aviation Safety Oversight

Description: The Aviation Safety Oversight program, based on risk, supports compliance of the aviation industry with the regulatory framework through services, assessments and validations, inspections, audits and, when necessary, enforcement.

Financial Resources – 3.1.2: Aviation Safety Oversight ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
122	119	3

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1,158	1,089	69

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Aviation community has a strong safety culture	Percentage of aviation industry understanding	75 percent Target date: March 2015	No data to report

Aviation Safety completed an in-depth review of its key performance indicators in 2011–12 and 2012-13. As a result of this review, several indicators were replaced and are no longer in use. The new set of indicators were approved and incorporated for reporting in the Performance Management Framework in 2013-14.

However, we can note that industry compliance is monitored through the completion of surveillance activities. In 201213, the program completed 95% of its planned surveillance activities, addressing all higher-risk areas.

Sub–program 3.1.3: Airports Capital Assistance

Description: In keeping with the National Airports Policy, the Airports Capital Assistance program helps Canada maintain airport safety at non-federally owned eligible airports. It provides funding for airside safety-related capital projects, which may also extend to non-airside asset protection. It targets airports with a demonstrated financial need to fund the capital expenditures necessary to maintain safety.

Financial Resources – 3.1.3: Airports Capital Assistance ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
50	32	18

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
19	18	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Eligible airports meet safety standards required for continued operation	Percentage of eligible airports that have maintained their certification as a result of receiving Airports Capital	100 percent Target date: March 2015	100 percent

	Assistance program funding		

The sub–program achieved its expected result.

Sub–program 3.1.4: Aircraft Services

Description: The Aircraft Services program provides aircraft and aircraft maintenance and training services to Transport Canada and other federal government departments and agencies.

Financial Resources – 3.1.4: Aircraft Services ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
29	25	4

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
365	340	25

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Trust and confidence from clients	Percentage of client satisfaction (satisfied or very satisfied) with services	80 percent Target date: March 2014	No data to report
Trust and confidence from clients	Number of category 3[28] or greater category occurrences (per 1,000 flight hours)	1.37	1.55

Aircraft Services developed a survey that will be circulated to clients in the winter of 2014 that will provide data by the target date. We can note that Aircraft Services has successfully maintained its client base for the past 15 years. No client issues or concerns have been raised through any formal or informal mechanisms currently in place. In the past fiscal year, this sub–program has gone through significant changes with workforce reductions and the sale of aircraft. Flying hours decreased by 17 percent. The rate of category 3+ safety reports per 1,000 flight hours is down 35 percent from the previous year but does not meet the reduction in the five-year moving target, given the lag in analysis. The dataset is too small to be statistically significant. However, further analysis shows there is no consistent pattern in the types of incidents and therefore no systemic safety issues that are cause for concern.

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[28] Category 3 occurrences include an occurrence with moderate damage, injury, delay, grounded aircraft and/or costs as per Canadian Aviation Regulations.

Program 3.2: Marine Safety

Description: The Marine Safety program protects the life and health of Canadians by contributing to a safe and efficient marine transportation system. This program derives its authority from a number of acts, namely the *Canada Shipping Act, 2001*[xlvii], the *Navigable Waters Protection Act*[xlviii], the *Safe Containers Convention Act*[xlix], the *Pilotage Act*[l], the *Coasting Trade Act*[li] and the *Arctic Waters Pollution Prevention Act*[lii], to develop and enforce a marine safety regulatory framework for domestic and foreign vessels (non-pleasure craft and pleasure craft), enforce international conventions signed by Canada and protect the public right to navigation on Canada's waterways.

Performance Analysis and Lessons Learned

Transport Canada remains committed to providing high-quality service. We continue to realize the benefits of implementing formalized service standards and enhanced integrated program planning, continuous performance monitoring and reporting for inspection and certification activities. We developed the first Delegated Statutory Inspection Program Annual Report to report on the performance of delegated vessels[29]. The report's results are incorporated into planning for oversight activities to ensure continual program monitoring and improvement. Active monitoring, quarterly performance reporting, data integrity and interoperability continue to provide opportunities for meaningful program analysis and timely corrective action.

We have strengthened guidance on how to apply current regulatory user fees to a variety of services. We have also undertaken a review of the fee structure as part of a modernization initiative to align it with current private and international sectors. In doing so, we updated service standards covering timelines, accuracy and accessibility of services. The goal of this initiative is to produce a single regulation that consolidates tariff-related marine user fee provisions from various Transport Canada regulations.

Work is also currently under way to implement management action plans in response to audits of Marine Safety[liii]. Through this continued work, Marine Safety and Security is addressing some of the key findings of four recent internal audits and evaluations to: enhance the oversight and monitoring of delegated programs; to enhance the integration of Information Management/Information Technology databases and applications; and to fully comply with *User Fees Act* and Treasury Board requirements with regard to revenue collection.

We continue to recognize the importance of consulting with our stakeholders regarding program changes and regulatory projects and, where applicable, on the supporting program instruments (policies, procedures and work instructions). We also continue to recognize the importance of consulting horizontally on internal program changes and regulatory projects and the impacts they may have on other programs. This helps ensure that program changes and regulatory projects are effectively communicated, well-integrated and properly balanced and that stakeholder concerns are taken into account, resulting in a more effective and consistent program.

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[29] Under the Delegated Statutory Inspection program, a vessel where inspection and certification is required by statute, regulation or convention, and where inspections may be conducted by classification societies in place of Marine Safety inspectors.

Financial Resources – 3.2: Marine Safety ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
62	62	65	57	5

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
603	575	28

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A safe marine transportation system	Number of Canadian commercial vessel (non-pleasure craft) occurrences per 1,000 vessels in the Canadian registry (five-year moving average)	9.5 Baseline is 13.6 occurrences per 1,000 vessels. Rate change from 13.6 to 9.5 represents a 30 percent decrease. Target date: December 2015	12.36 per 1,000 vessels
A safe marine transportation system	Number of pleasure craft fatalities for recreational boating activities (five-year average)	111	74 Four-year average as only data from 2009-12 was available

The FTE variance is due to the ongoing reorganization of Marine Safety and Security impacting the Marine Safety program and efficiency improvements. Expected results are on track to meet the December 2015 target of a 30 percent decrease in occurrences.

Sub–program 3.2.1: Marine Safety Regulatory Framework

Description: The Marine Safety Regulatory Framework program provides a balance of tools (policies, guidelines, regulations and standards based on performance and risk) to support the safety of seafarers, commercial vessels (non-pleasure craft) and pleasure craft; harmonize Canada's marine safety framework with other jurisdictions; and support pilotage services in Canada.

Financial Resources – 3.2.1: Marine Safety Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
11	7	4

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
92	65	27

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A risk-based regulatory framework consistent with international conventions and Cabinet Directive on Streamlining Regulation	Percentage of regulations-aligned with domestic legislation and/or adopted international standards	85 percent Target date: March 2015	On track to meet target

The interim performance data is not available as a process is currently underway to align regulations to the *User Fees Act*. We expect this sub–program will achieve the expected result in 2015.

Sub–program 3.2.2: Marine Safety Oversight

Description: The Marine Safety Oversight program monitors commercial vessel (non-pleasure craft), industry and pleasure craft compliance with the marine safety regulatory framework. This program issues Canadian Maritime documents and other official documents to Canadian seafarers (officers and crews on Canadian vessels); approves seafarer training; registers and licenses commercial vessels (non-pleasure craft) and pleasure craft; issues safety certificates and approvals for vessels, equipment and design; inspects commercial vessels (non-pleasure craft) entering Canadian waters; responds to Marine Occupational Safety and Health issues; conducts surveillance and investigations; and promotes safe practices.

Financial Resources – 3.2.2: Marine Safety Oversight($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
46	43	3

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
447	441	6

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Compliance with regulations for inspected domestic vessels (non-pleasure craft)	Percentage of inspected domestic vessels (non-pleasure craft) that are compliant with regulations	68 percent Target date: March 2015	On track to meet target
Compliance with regulations for pleasure craft	Percentage of pleasure craft compliant with regulations (includes those that received a courtesy check)	60 percent Target date: March 2015	On track to meet target
The Port State Control regulatory oversight addresses the highest risk foreign vessels	Percentage of high-risk foreign vessels inspected	95 percent Target date: March 2017	On track to meet target

By continuing to engage stakeholders to reinforce requirements, and by continuing to circulate guidance and awareness material, it is anticipated that the expected results will be achieved by the March 2015 target date. For inspected domestic vessels (non-pleasure craft), out of 4,556 inspections in fiscal year 2012-13, 2,050 inspections found at least one deficiency. This means that 55 percent of inspected domestic vessels (non-pleasure craft) were found compliant with regulations. For example, non-compliance can range from an individual not producing the appropriate document to the Inspector when requested to do so, to failure to rectify an identified safety deficiency with the vessel.

Following the 2012 boating season, we received and analyzed 3,988 valid Pleasure Craft Courtesy Check forms. Results show that 92 percent of participants had their pleasure craft licence marked on the hull of their craft, and of those required, 92 percent provided proof of competency[30].

In 2012–13, the percentage of higher-risk foreign vessels inspected was 41 percent. The Risk-Based Inspection Framework was implemented at the beginning of fiscal year 2012–13 and is continually being monitored and improved. It is expected that the target of 95 percent will be met by March 2017.

Sub– program 3.2.3: Navigable Waters Protection

Description: The Navigable Waters Protection program protects the public right of safe navigation in Canada's waters by removing obstructions to navigation; approving any works built or placed in, on, over, under, through or across navigable water before construction; regulating lights or markers required for safe navigation during and/or on completion of certain works; regulating the placement of private buoys as per the Private Buoy Regulations of the *Canada Shipping Act 2001*; and acting as Receiver of Wreck, as per the *Canada Shipping Act, 2001*, Part 7.

Financial Resources – 3.2.3: Navigable Waters Protection ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
5	7	(2)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
64	70	(6)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The public's right to safely navigate Canada's waterways is protected	Number of public complaints received for works not compliant with navigable waters legislation	175 Target date: March 2015	130

The sub–program exceeded its expected result.

Sub–program 3.2.4: Divestiture of Marine Training Assets

Description: The Divestiture of Marine Training Assets program provides cost-shared funding for the upgrade or replacement of marine training simulators and divests department-owned Marine Emergency Duties (MED) assets for continued certification of Canadian seafarers.

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[30] Proof of competency is something that shows they understand the rules of the waterway and how to safely operate a boat. The most common proof of competency is the Pleasure Craft Operator Card.

Financial Resources – 3.2.4: Divestiture of Marine Training Assets ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
0	0	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Marine training institutions in Canada independently provide world-class training	Number of Transport Canada-owned marine training simulators divested to provinces/Marine Training Institutes for seafarer certification training	1	1
Marine training institutions in Canada independently provide world-class training	Number of institutions providing MED training without federal assistance (Transport Canada-owned MED facilities divested with 70 percent/30 percent funding split)	1	1

The sub–program achieved its expected results.

Program 3.3: Rail Safety

Description: Under the authority of the *Railway Safety Act*[liv], the Rail Safety program develops, implements and promotes safety policies, regulations, standards and research. The program provides oversight of the rail industry, promotes public safety at crossings and identifies the risks of trespassing. It also provides funds to improve safety at grade crossings.

Performance Analysis and Lessons Learned

Transport Canada made progress on several initiatives, key among these being amendments to the *Railway Safety Act*[lv] that received Royal Assent in May 2012. These amendments will allow us to improve the Safety Management Systems Regulations and develop access control regulations, among other potential regulatory instruments.

In the 2012–13 Report on Plans and Priorities, we identified several regulations that needed to be developed once the amendments to the *Railway Safety Act* received Royal

Assent, with a focus on regulations to bring into force administrative monetary penalties and the requirement for a Railway Operating Certificate. Consistent with the Rail Safety Senior Management Committee, the Advisory Council on Rail Safety and the Federal-Provincial Working Group, we approved a new set of regulation-making priorities with the focus turning to amending the Railway Safety Management System Regulations and combatting trespassing. We will collaborate with all internal and external stakeholders to help determine regulatory priorities.

We also addressed the application of the *Railway Safety Act* to local railway companies. The *Railway Safety Act* was amended to include local railways based on a recommendation from the report of the *Railway Safety Act* Review Panel. The panel wanted all railways operating on federal tracks to be included under the Act to help resolve some jurisdictional gaps. This change means that beginning May 1, 2013, 41 additional railway companies will fall under the federal rail safety regime. Efforts included identifying railways that fall under the new definition of local railway companies and informing them, as well as key partners and stakeholders, of their obligations under the new regime through a communications campaign and information sessions.

We completed the Rail Safety Integrated Gateway system, which will allow for better capture and analysis of safety performance data throughout the industry. We modified and upgraded the national inspector training program and are continuing to develop a quality management system. As part of the national rail safety training program, we developed and modified several key courses for inspectors, including courses on audit, SMS and orientation for rail safety inspectors.

We improved the Rail Safety Quality Management program by developing and implementing several new directives and procedures. These improvements included updating the risk-based business planning process, creating a new information management directive, and enhancing service performance by revising the complaints and inquiries procedure.

Financial Resources – 3.3: Rail Safety ($ Millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
37	37	37	34	3

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
208	176	32

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results

A safe rail transportation system	Rate of rail accidents (per million train miles) that occur on railways under federal jurisdiction (includes main-track collisions and derailments, non-main track derailments and collisions, fires/explosions and others) (five-year average)	14.1	11.73
A safe rail transportation system	Rate of rail incidents (per million train miles) that occur on railways under federal jurisdiction (includes abnormal position of main-track switch, movement exceeding limit of authority, leaks of dangerous goods, incapacitation of crew member, runaway rolling stock, signal that is less restrictive than required and unprotected overlap of authorities) (five-year average)	2.45	2.36

The variance between planned and actual FTEs is mostly due to reduced outreach activities and unstaffed positions related to back office support. There have been no cuts to Rail Safety inspectors. The department continually analyzes its workforce and works on recruitment and retention of staff to make sure that resources are concentrated to the areas where they will provide the greatest safety benefits.

The rate of rail accidents is down from the five-year average of 13.07. The rate of rail incidents is also down from the five-year average.

Sub– program 3.3.1: Rail Safety Regulatory Framework

Description: The Rail Safety Regulatory Framework program provides a balance of tools (policies, guidelines, regulations, rules and engineering standards) to promote a harmonized rail safety regulatory framework for the rail industry and the public at large, while ensuring viability of the rail sector.

Financial Resources – 3.3.1: Rail Safety Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
3	4	(1)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
22	22	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The regulatory framework addresses the highest risks	Percentage of rail risk-mitigation strategies developed per total number of identified risks	90 percent	100 percent

The sub–program achieved its expected result.

Sub– program 3.3.2: Rail Safety Oversight

Description: The Rail Safety Oversight program promotes compliance with the regulatory framework through inspections, audits, monitoring and enforcement, when necessary, of the rail industry.

Financial Resources – 3.3.2 Rail Safety Oversight ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
15	15	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
144	131	13

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Rail industry has a strong safety culture	Index of railway industry SMS implementation	To be determined	This performance indicator is under review
Rail industry is compliant	Percentage of rail industry that is compliant with rules, regulations and standards as set out in the *Railway*	80 percent Target date: March 2015	This performance indicator is under review

	Safety Act		

These performance indicators are under review; therefore, expected results are not available.

Sub– program 3.3.3: Rail Safety Outreach

Description: The Rail Safety Outreach program promotes public awareness and education regarding safety near crossings and the risks of trespassing in order to prevent deaths and injuries. It also promotes safety with the rail industry by sharing best practices, research and technology. It provides funding for safety improvements at grade crossings.

Financial Resources – 3.3.3: Rail Safety Outreach ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
18	16	2

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
42	23	19

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Safe crossings	Percentage of crossing collisions reduced	5 percent Target date: March 2015	On track to meet target
Trespassing reduced	Percentage of trespassing accidents reduced	5 percent Target date: March 2015	On track to meet target

The number of crossing accidents is down from the five-year average of 195 to 187. The number of trespasser accidents in 2012 is also down from the five-year average of 79 to 74. It is expected the target will be met by March 2015.

Program 3.4: Road Safety

Description: Guided by the *Motor Vehicle Safety Act*[lvi] and the *Motor Vehicle Transport Act*, [lvii]the Road Safety program develops standards and regulations, provides oversight and engages in public outreach in order to reduce the deaths, injuries and social costs caused by motor vehicle use, and to improve public confidence in the safety of Canada's road transportation system.

Performance Analysis and Lessons Learned

Transport Canada successfully implemented the Temporary Vehicle Importation System[lviii], an online tool that allows importers to apply electronically for temporary vehicle importation. This has reduced application processing time from up to four weeks to one week.

In addition to the online tool, based on feedback from industry, we streamlined the pre-clearance vehicle importation system and improved compliance by importers. The new system, which has fewer but more qualified importers, has reduced the compliance burden on industry, the Canada Border Services Agency and Transport Canada.

We streamlined the exemptions process under the *Motor Vehicle Transport Act* to accommodate industry sectors that use motor carriers subject to the Hours of Service Regulations. The streamlined process resulted in expedited timelines for decisions on applications (e.g., reduction from 16 weeks to 9 weeks, depending on the complexity of an application), improved guidelines for applicants, better service standards and greater applicant engagement to ensure that an applicant can implement the exemption if granted.

The success of these initiatives is due in large part to effective industry stakeholder engagement and the removal of unnecessary processing steps consistent with the principle of lean management.

Financial Resources – 3.4: Road Safety ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
23	23	24	23	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
113	84	29

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Safer vehicles	Collisions per 10,000 motor vehicle registered	To be determined	53.5
Safer vehicles	Fatalities (vehicle occupants) per 10,000 police-reported collisions occurring on public roads	To be determined	26.4
Safer vehicles	Serious injuries (vehicle occupants)	To be determined	134.1

	per 10,000 police-reported collisions occurring on public roads		

The FTE variance is mainly in response to the implementation of Budget 2012 cost reduction measures. Positions relating to the FTEs were eliminated as the work being performed, particularly with respect to outreach activities, were not core to Road Safety's mandate.

With respect to results, in 2011, there were 53.5 total collisions per 10,000 motor vehicles registered; this represents a 15.8 percent reduction as compared to the average rate of the previous five years. In 2011, the metric for fatalities was 26.4 per 10,000 collisions, which represents a 9.2 percent reduction as compared to the average rate of the previous five years. 134 serious injuries represent an 11.3 percent reduction when compared with the average rate of the previous five years.

While no targets were set for 2012–13, the targets for 2013–14 are as follows: 2 percent reduction in the rate of collisions for 2012 as compared to the average of the previous five years; 1 percent reduction in the rate of fatalities for 2012 as compared to the average of the previous five years; 1 percent reduction in the rate of serious injuries for 2012 as compared to the average of the previous five years. These targets would have been exceeded if applied to our latest results.

Sub– program 3.4.1: Motor Vehicle Safety Regulatory Framework

Description: In support of vehicle safety, the Motor Vehicle Safety Regulatory Framework program develops policies, regulations and standards that govern the design, construction, functioning or marking of vehicles and equipment; and conducts research (crashworthiness, biomechanics, crash avoidance and human factors) to determine the need for and effectiveness of regulations and standards; and contributes to the assessment and development of technological solutions to improve vehicle safety.

Financial Resources – 3.4.1: Motor Vehicle Safety Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
5	5	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
24	20	4

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
A risk-based and performance-based regulatory framework	Percentage of standards that are harmonized with	80 percent	78 percent

that is harmonized with international vehicle safety regimes where appropriate	international motor vehicle safety standards		

There are 45 regulations that apply to light-duty vehicles. Approximately 10 of these regulations are still in the process of undergoing harmonization, with the exception being those few where there are Canadian legislative requirements for bilingualism or the metric system. Therefore, 35 regulations or 78 percent are already harmonized.

Sub– program 3.4.2: Motor Vehicle Safety Oversight

Description: Guided by the *Motor Vehicle Safety Act*, the Motor Vehicle Safety Oversight program monitors motor vehicle and equipment manufacturers' compliance with Motor Vehicle Safety Regulations and the Canada Motor Vehicle Safety Standards. The program verifies that regulated vehicles and vehicle parts, child restraints and tires made in, or imported into Canada, meet safety performance requirements and equipment installation standards; and, monitors vehicle manufacturers to make sure they fulfill their obligations in a responsible manner.

Financial Resources – 3.4.2: Motor Vehicle Safety Oversight ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
8	9	(1)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
49	39	10

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Motor vehicle industry is compliant with the regulatory framework	Percentage of the motor vehicle industry that is compliant with the regulatory framework	80 percent	92 percent

The sub–program exceeded its expected result. Industry compliance is calculated based on a sampling of the regulated vehicles and equipment. Compliance will vary within a small range depending on the particular vehicles and equipment inspected.

Sub–program 3.4.3: Motor Carrier Safety

Description: Guided by the *Motor Vehicle Transport Act*, the Motor Carrier Safety program promotes motor carrier (truck and bus) safety through a safety performance regime based on the National Safety Code (performance standards for commercial vehicle operations) by providing a national framework for provinces and territories to administer motor carrier safety regulations, managing a contribution program for provinces and territories towards consistent implementation of the National Safety Code, and by promoting consistent regulation of motor carriers across Canada.

Financial Resources – 3.4.3: Motor Carrier Safety($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
5	5	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
7	5	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Harmonized safety regime for motor carriers among provinces and territories through adoption of the National Safety Code	Percentage of jurisdictions that have adopted all of the 15 standards under the National Safety Code	60 percent Target date: March 2014	Approximately 75 percent

Approximately 75 percent of jurisdictions have adopted all or most of the National Safety Code standards. The sub–program exceeded its expected result.

Sub–program 3.4.4: Road Safety Outreach

Description: The Road Safety Outreach program promotes road user and road infrastructure safety for the increased safety of the travelling public. The program and its partners (e.g., provinces, territories, police, universities, non-governmental Organizations) identify, develop and monitor safety interventions and performance measures, promulgate best practices, and provide road safety knowledge to the public.

Financial Resources – 3.4.4: Road Safety Outreach ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
4	4	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
34	20	14

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results

Road Safety partners and the public are aware of federal road safety issues	Percentage awareness of federal road safety programs – survey(s) and studies of individual road safety initiatives	Observational surveys 95 percent Road Safety database 40 percent	Nil

To focus resources where they have the greatest safety benefits, the Road Safety Outreach program was eliminated as part of Budget 2012 cost reduction measures. Outreach functions that are considered essential to Road Safety's mandate have been consolidated with other programs.

Program 3.5: Transportation of Dangerous Goods

Description: Required by the *Transportation of Dangerous Goods Act, 1992*,[lix] the TDG program, based on risk, develops safety standards and regulations, provides oversight and gives expert advice (for example, through the Canadian Transport Emergency Centre)[lx] (CANUTEC) on dangerous goods incidents to promote public safety in the transportation of dangerous goods by all modes of transport in Canada) ; identify threats to public safety, and enforces the Act and its regulations, guides emergency responses and limit the impact of incidents involving the transportation of dangerous goods, and develops policy and conducts research to enhance safety.

Performance Analysis and Lessons Learned

Transport Canada implemented an action plan that addresses the Commissioner of the Environment and Sustainable Development's Audit of Transportation of Dangerous Products. We have already completed many of our action items to meet our commitments as a result of the Audit, including the following:

- developing and implementing an approved national risk-based inspection planning process that will strengthen our oversight function;
- developing a follow-up policy based on a severity index and updating TDG inspectors and managers through updates to the TDG Inspectors' Manual and training;
- developing a tool to capture key additional data required to generate compliance rate indicators; and
- implementing an Emergency Response Assistance Plan Assessment Framework that clarifies the policy and procedure requirements for the review and approval of Emergency Response Assistance Plans, providing a uniform and consistent approach to plan assessments.

We are largely on track to complete the following remaining action items within the approved timelines:

- establishing a quality assurance program to verify compliance monitoring and follow-up procedures by TDG inspectors;
- clarifying roles and responsibilities for dangerous goods inspections within Transport Canada; and
- implementing a performance measurement system that allows Transport Canada to report on the rate of regulatory compliance.

We strengthened compliance monitoring guidance by developing and applying Chapter 23 of the Inspectors' Manual, the policy on public inquiries. We identified core competencies for Remedial Measures Specialists and established follow-up procedures for non-compliance. We delivered training to all inspectors in Transport Canada's regional offices across Canada. The adoption of the lean philosophy has allowed us to identify waste, increase efficiencies and better align our resources.

Financial Resources – 3.5: Transportation of Dangerous Goods ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
12	13	13	13	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
124	114	10

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Public safety during the transportation of dangerous goods	Number of reportable releases of dangerous goods per trillion dollars of Canadian gross domestic product (five-year average)	285.7 [recalculated target][31]	286.4
Public safety during the transportation of dangerous goods	Number of reportable releases of dangerous goods, that caused injuries or deaths per trillion dollars of Canadian	5.1 [recalculated target][32]	4.3

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[31] With respect to our expected results, we have changed our methodology; therefore, the data does not reflect the pre-established target of 221.1 that was set in the RPP.

[32] With respect to our expected results, we have changed our methodology; therefore, the new data does not reflect the pre –established target of 3.8 that was set in the RPP.

	gross domestic product (five-year average)		

The variance between planned and actual FTEs is the result of a program normalization exercise. There have been no cuts to Transportation of Dangerous Goods inspectors. To ensure that the appropriate resources were available to meet program objectives, several technical positions were deleted while other positions are being staffed. Transport Canada continually analyzes its workforce and works on recruitment and retention of staff to make sure resources are concentrated where they will provide the greatest safety benefits.

The number of reportable releases of dangerous goods per trillion dollars of Canadian gross domestic product matches the recalculated target.

Sub–program 3.5.1: Transportation of Dangerous Goods Regulatory Framework

Description: The Transportation of Dangerous Goods Regulatory Framework program promotes public safety in the transportation of dangerous goods. The program develops and balances policies, procedures, guidelines, certificates for equivalent level of safety, rules and standards, based on risk, to promote public safety in handling, offering for transport, transporting and importing of dangerous goods; harmonizes or aligns, as appropriate, its regulations with international, United Nations or United States dangerous goods programs; leads in the development of Canadian regulations that are adopted by provinces and territories; and takes the lead in developing national and international standards for the manufacture, selection and use of dangerous goods means of containment.

Financial Resources – 3.5.1: Transportation of Dangerous Goods Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
3	4	(1)

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
31	40	(9)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The regulatory framework provides clear direction to the dangerous goods industry and the public regarding the safe transportation of dangerous goods	Percentage of harmonization of Transportation of Dangerous Goods regulations and standards with domestic and/or international standards	70 percent	70 percent

We developed all planned regulatory amendments. The amendments are at different stages of the regulatory process and, once approved, will represent approximate alignment with the 70 percent target.

Sub-program 3.5.2: Transportation of Dangerous Goods Oversight

Description: Required by the *Transportation of Dangerous Goods Act, 1992*, the Transportation of Dangerous Goods Oversight program monitors stakeholders' compliance with the *Transportation Dangerous Goods Act, 1992*, and Regulations through services, assessments, inspection, investigation, enforcement, charge, care, management, control, examination, or review; monitoring compliance of modal shippers, consignors and importers, Emergency Response Assistance Plans, means of containment standards, and facility assessments; and training of all federal, provincial and territorial inspectors.

Financial Resources – 3.5.2: Transportation of Dangerous Goods Oversight ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
7	6	1

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
67	56	11

Performance Results

Expected Results	Performance Indicators	Target	Actual Results
The dangerous goods industry is compliant.	Percentage of companies that are compliant with the *Transportation of Dangerous Goods Act, 1992*, regulations and standards	60 percent	53 percent

The Transportation of Dangerous Goods Oversight program uses a risk-based approach to target inspections complemented by a random compliance estimation program. While there is significant year-to-year variation in compliance rates, every incident of non-compliance results in a corrective action as per the TDG non-compliance follow-up policy. The level of severity of non-compliance can vary significantly. For example, a non-compliance can range from missing a placard on a means of containment, to not having an approved Emergency response Plan, where one is required. As such, in response to the December 2011 Report of the Commissioner of the Environment and Sustainable Development on TDG[lxi], a more nuanced compliance indicator was developed and will be implemented for the 2013–14 reporting period, which will better consider the scope and severity of non-compliance. There have been no cuts to Transportation of Dangerous Goods inspectors.

Sub–program 3.5.3: Emergency Response for the Transportation of Dangerous Goods

Description: Required by the *Transportation of Dangerous Goods Act, 1992*, the TDG's Emergency Response program protects the safety of human life and health and of property and the environment by providing immediate 24-hour technical information, safety precautions and action measures to first responders through CANUTEC following an incident involving dangerous goods; attending dangerous goods incidents and providing onsite response direction by Transportation of Dangerous Goods Remedial Measure Specialist; producing the Emergency Response Guide book as a tool for initial response during the first 15 minutes at the scene of an accident involving dangerous goods; and conducting research on emergency response to releases of chemicals.

Financial Resources – 3.5.3: Emergency Response for the Transportation of Dangerous Goods ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
3	3	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
26	17	9

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Safe operations at accident sites	Percentage of compliant accident sites	100 percent	100 percent

The sub–program achieved its expected result.

Strategic Outcome 4: A Secure Transportation System

Transport Canada develops policies and programs that respond to emerging security risks while keeping Canada competitive, and develops and enforces transportation security regulations. The department also works with domestic and international partners towards a shared and effective transportation security agenda. A secure transportation system supports a strong Canadian economy and the country's competitiveness in global markets. As a trading nation, Canada must move people and goods across vast distances to domestic and international destinations, and the number of people travelling by air, sea and land increases every year. International and public confidence in the security of Canada's transportation infrastructure is critical.

Transport Canada promotes a holistic approach to security. The department develops policies, programs and regulations, and enforces these regulations in response to emerging security risks. The department's role is diverse and complex, as reflected in the many activities that include enhancing the security of the surface transportation system, ports and airports across Canada. The following three programs and seven sub-programs support this strategic outcome:

Program	Sub-Program			
4.1 Aviation Security	4.1.1 Aviation Safety Regulatory Framework	4.1.2 Aviation Safety Oversight	4.1.3 Airports Policing Assistance Program	4.1.4 Air Cargo Security Major Crown Project
4.2 Marine Safety	4.2.1 Marine Security Coordination and Collaboration	4.2.2 Marine Security Oversight and Enforcement	4.2.3 Marine Security Regulatory and Policy Framework	
4.3 Surface and Intermodal Security				

The following sections explain how we met the commitments presented in the planning highlights in Transport Canada's 2012-13 Report on Plans and Priorities. We discuss actual results achieved against expected results, including performance indicators and targets at the program and sub-program level.

Program 4.1: Aviation Security

Description: The Aviation Security program develops, administers and oversees policies, programs, regulations and standards necessary for a secure Canadian aviation system in a manner harmonized with the international aviation community.

Performance Analysis and Lessons Learned

Transport Canada refined and strengthened aviation security oversight by establishing a quality control function to regularly monitor national delivery of the Aviation Security program to support continual improvement of the oversight program. We developed and delivered a course on risk assessment methodologies that provided a common understanding to all inspectors within the program.

We released the National Civil Aviation Security program to clarify Canada's approach to aviation security. Keeping Canada's aviation system secure is a shared responsibility between Transport Canada, other government departments, federal, provincial/territorial and municipal law enforcement agencies and industry. Each partner plays an important role in helping to reduce security risks and increase the public's understanding, confidence and support of aviation security investments.

We implemented a new risk-based approach to inspection planning to focus our oversight activities on areas of higher concerns. In 2011, we developed and implemented an enhanced Quality Control function for aviation security oversight that responds to the 2010 Audit of Aviation Security Regulatory Oversight,[lxii] and fosters continual improvement of the oversight program. Enhanced quality control through the monitoring of data and processes allows the department to regularly monitor national delivery of the oversight program to ensure that inspection activities across regions are conducted consistently and accurately following established policies and procedures.

While the program has always been based on risk, developing common methodologies for identifying risks and inspecting against them has strengthened the oversight function at the program level.

The Beyond the Border Action Plan between Canada and the United States is improving security in North America and aligning regulatory approaches between the two countries. Key activities include the following:

- expanding airport screening trusted traveller lanes at eight of Canada's major airports to include flights to the United States;
- upgrading the Canadian Air Transport Security Authority's checked baggage screening equipment so that passengers flying to the United States from Canadian airports with pre-clearance will no longer have their baggage rescreened for connecting flights. This change is facilitating easier travel through U.S. cities and reducing the risk of bags missing connecting flights while maintaining a high level of security; and
- achieving mutual recognition on the national air cargo security program. Cargo shipped on passenger aircraft will now be screened once for transportation security reasons at the point of origin and will not need to be rescreened prior to being loaded on an aircraft in the other country.

Financial Resources – 4.1: Aviation Security ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
46	46	37	34	12

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
385	292	93

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canada is aligned with international aviation security standards	Percentage of aviation security regulations aligned with the International Civil Aviation Organization's standards	100 percent	100 percent

The variance in FTEs is mainly due to the transfer of positions to Internal Services in advance of the creation of a new program in 2013-14, in order to gain efficiencies and minimize operational costs with respect to security screening of employees and transportation workers at restricted access facilities.

The program achieved its expected result.

Sub–program 4.1.1: Aviation Security Regulatory Framework

Description: The Aviation Security Regulatory Framework program develops and balances the use of various tools—policies, guidelines, regulations, standards and measures—to promote a secure and harmonized Canadian aviation security regime.

Financial Resources – 4.1.1: Aviation Security Regulatory Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
7	7	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
69	62	7

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Regulatory framework meets international standards and recommended practices	Percentage of the regulatory framework that meets international standards	100 percent	100 percent

The sub–program achieved its expected result.

Sub–program 4.1.2: Aviation Security Oversight

Description: The Aviation Security Oversight program supports compliance with the security framework through inspections, audits, monitoring, surveillance, enforcement and education, when necessary, of the aviation industry.

Financial Resources – 4.1.2: Aviation Security Oversight ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
25	17	8

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
255	162	93

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Stakeholders understand the compliance requirements within the security regulatory framework	Percentage of inspections completed that did not result in an administrative monetary penalty	90 percent	100 percent

We exceeded the expected result, with 100 percent of inspections completed demonstrating compliance and therefore not resulting in an administrative monetary penalty.

Sub–program 4.1.3: Airport Policing Assistance Program

Description: The Airport Policing Assistance program provides funding to elligible, designated airports in financing the heightened cost of security-related policing in accordance with Transport Canada's regulated security measures.

Financial Resources – 4.1.3: Airport Policing Assistance Program ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
1	1	0

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
0	0	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Airports comply to security requirements	Percentage of airports that implement the agreements	100 percent	100 percent

The sub–program achieved its expected result. Budget 2012 announced the termination of this program effective April 1, 2013.

Sub–program 4.1.4: Air Cargo Security Major Crown Project

Description: The Air Cargo Security Major Crown Project supports the National Security policy by identifying strategies to enhance the security of air cargo.

Financial Resources – 4.1.4: Air Cargo Security Major Crown Project ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
13	8	5

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
62	67	(5)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canada is harmonized with international air cargo security standards	Percentage of the regulatory framework that meets international air cargo security standards	100 percent Target date: March 2015	100 percent

The sub–program achieved its expected result.

Program 4.2: Marine Security

Description: The Marine Security program with partners enforces the *Marine Transportation Security Act*[lxiii] to protect Canada and Canadians in a way that respects Canadian values. It safeguards integrity and security and preserves the efficiency of Canada's marine transportation system against unlawful interference, terrorist attacks, or from being used as a means to attack our allies.

Performance Analysis and Lessons Learned

Transport Canada led or directly supported three initiatives of the Beyond the Border[lxiv] Action Plan. We completed a Pacific Region pilot project, jointly with the U. S. Coast Guard, to develop plans and protocols to manage the swift resumption of maritime traffic after a major disruption. We also contributed to the development of the integrated cargo security strategy and the conduct of supporting pilot projects, led by the Canada Border Services Agency. The strategy identifies and resolves security concerns as early as possible in the supply chain or at the perimeter, to allow us to reduce the level of these activities at the Canada–U.S. border. In collaboration with the Royal Canadian Mounted Police, we helped complete initial deliverables to enhance domain awareness in the maritime environment.

Maritime domain awareness means having true and timely information about everything on, under, related to, adjacent to, or bordering a sea, ocean or other navigable waterway. For marine security, it means being aware of anything in the marine domain that could threaten Canada's national security. We continued efforts within the federal government, as well as with stakeholders and global partners, to reduce marine security risks and achieve greater maritime domain awareness through our Marine Security Operations Centres.

We collaborated with other departments and the United States to align the Canadian Marine Response Event Protocol and the U.S. Marine Operational Threat Response, ensuring binational cooperation in maritime security matters.

We implemented the action plan for the Canada–U.S. Regulatory Cooperation Council[lxv], an element of the Canada Economic Action Plan to boost security, trade and travel. The goal is to align marine security requirements where possible and establish a framework to jointly address issues related to the safety and security of vessels operating on the Great Lakes and St. Lawrence Seaway. We completed two initiatives: a project charter was developed to harmonize the inspection regime for the Great Lakes, and a pilot project was conducted to decrease the number of inspections of vessels preparing to enter the Great Lakes.

We also reviewed and updated the Marine Transportation Security Regulations which were published in the *Canada Gazette Part I* in April 2013. The regulations will deliver on Canada's international marine security obligation to further align with the U.S. regulatory regime, a key element of the mandate of the Canada–U.S. Regulatory

Cooperation Council, to reduce financial and regulatory burden on industry and to address interpretation issues and regulatory gaps.

Accurate and comprehensive compliance and enforcement data enhance program planning and delivery. We are integrating additional sources of data to improve our planning models to better respond to changes in the industry and the regulations.

Financial Resources – 4.2: Marine Security ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
21	21	19	14	7

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
170	120	50

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased industry confidence in marine transportation security	Percentage of industry indicating confidence in the Canadian marine security system	80 percent Target date: March 2015	No data available
Canada is aligned with international marine security standards	Percentage of marine security regulations aligned with the International Maritime Organization standards	100 percent Target date: March 2015	100 percent

The FTE variance is due to the reorganization of Marine Safety and Security affecting the Marine Security program and various expenditure reductions exercises. There are staffing actions under way to support the upcoming activities of the program.

With respect to our expected results, we have not conducted a survey of the marine industry on its confidence in the Canadian marine security system as our date to achieve our target is 2015. However, all Transport Canada marine security regulations align with International Maritime Organization standards.

Sub–program 4.2.1: Marine Security Coordination and Collaboration

Description: The Marine Security Coordination and Collaboration program leads on interdepartmental marine security policy through the Interdepartmental Marine Security Working Group; manages the Marine Security Coordination Fund to promote new initiatives among federal marine security partners; contributes to maritime domain awareness as a key partner in the Marine Security Operations Centres; and manages, in collaboration with federal partners, the issuance/revocation of security clearances granted under the Marine Transportation Security Clearance program.

Financial Resources – 4.2.1: Marine Security Coordination and Collaboration ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
9	5	4

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
69	46	23

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased industry stakeholder awareness of potential security threats to their vessels and facilities of the Canadian marine security system	Percentage of industry stakeholders aware of potential security threats	85 percent	No data available

Actual results are not available, since the performance indicator relies on surveys that were not conducted in 2012–13. The indicator is under review to develop a more appropriate and efficient measure.

Sub–program 4.2.2: Marine Security Oversight and Enforcement

Description: The Marine Security Oversight and Enforcement program conducts inspections, conducts and/or approves security assessments, reviews and approves security plans, and works with stakeholders to assist them in meeting the requirements of the *Marine Transportation Security Act* and its regulations and measures. The program conducts promotional, educational and awareness activities designed to ensure that the regulated community is aware of its legislative and regulatory responsibilities. If violations or non-compliance is found, the program uses a graduated enforcement approach and informs stakeholders when a problem exists and provides them with information and the opportunity to correct it. Where appropriate, enforcement actions, including the use of administrative monetary penalties, may be taken.

Financial Resources – 4.2.2: Marine Security Oversight and Enforcement ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
9	7	2

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
87	60	27

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Stakeholders are compliant with the requirements of the marine security regulatory framework	Percentage of inspections that show no deficiencies	80 percent Target date: March 2015	85.8

The sub–program exceeded its expected result.

Sub–program 4.2.3: Marine Security Regulatory and Policy Framework

Description: The Marine Security Regulatory and Policy Framework program develops and balances the use of various tools (policies, guidelines, regulations, legislation, standards and measures) to support the Minister's role as defined under the National Security Policy. The program's components and their activities promote a secure and harmonized Canadian marine security regime, consistent with International Maritime Organization requirements, and leverage Canadian expertise with our international partners.

Financial Resources – 4.2.3: Marine Security Regulatory and Policy Framework ($ millions)

Planned Spending 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
3	2	1

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
14	14	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Marine industry operators have a high level of acceptance of the need for a Canadian marine security program	Percentage of marine industry stakeholders that accept the need for a marine security program.	90 percent Target date: March 2015	No data available
Effectiveness of the marine security regulatory	Percentage of stakeholders who believe that the	80 percent Target date: March	No data available

framework in promoting increased marine security	regulatory framework is promoting increased marine security	2015	

Actual results are not available. The performance indicator relies on surveys currently under development to collect results.

Program 4.3: Surface and Intermodal Security

Description: Guided by the *Railway Safety Act*[lxvi], the *International Bridges and Tunnels Act*, the *Transportation of Dangerous Goods Act* and the federal government's transportation security mandate, the Surface and Intermodal Security program enhances the security of surface and intermodal transportation, such as rail and urban transit and international bridges and tunnels. Working with partners to protect Canada and Canadians in a way that respects Canadian values and preserves the efficiency of the transportation system, the program provides federal leadership and develops and enforces regulatory and voluntary frameworks (regulations, codes of practice and memoranda of understanding).

Performance Summary and Lessons Learned

Transport Canada continued to refine and strengthen the Surface and Intermodal Security oversight function. We developed a consistent approach for implementation of the risk-based Inspection Schedule to ensure national consistency of oversight activities.

We used risk-based analysis to enhance the security of the international bridges and tunnels. We initiated the regulatory development process for the proposed Transportation of Dangerous Goods security regulations for rail and road. We defined the scope and details of the proposed regulations in close consultation with industry and their associations, through bilateral meetings, established stakeholder fora, such as the Multi-Association Committee on the Transportation of Dangerous Goods, the Task Force (with provinces and territories) and the General Policy Advisory Council. We also initiated and conducted a three-day pilot training session for inspectors on international bridges and tunnels security, in anticipation of an oversight program once memoranda of understanding are signed.

The success of the memorandum of understanding approach is contingent on continued consultation with stakeholders to increase their knowledge of security concepts and their agreement to adhere to the current oversight regime.

We worked with industry stakeholders promoting Surface and Intermodal Security, industry-developed security codes of practice and the sharing of security guidance material and best practices. The Steering Committee for the Development of Rail and Transit Security Standards took advantage of new webinar technology to facilitate the industry's development of codes of practice.

Financial Resources – 4.3: Surface and Intermodal Security ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
6	6	5	4	2

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
40	32	8

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Rail transportation operators (passenger and freight) implement the requirements of the voluntary framework	Percentage of rail transportation operators adopting the voluntary security framework.	60	No data available

The variance in FTEs is related to the transfer of positions from the Surface and Intermodal Security program to Internal Services in advance of the creation of a new program in 2013–14 in order to gain efficiencies and minimize operational costs.

The expected result is not available as the performance indicator is under review and will be replaced in 2013–14. However, we can note that assessing industry compliance for the operators who are signatories to the Transport Canada–Railway Association of Canada Memorandum of Understanding on Security is monitored through the completion of a national risk-based inspection schedule and other monitoring, surveillance and enforcement activities. In 2012–13, the program completed 99 percent of its planned inspection activities, addressing all higher-risk areas.

Program 5.1: Internal Services

Description: The Internal Services program includes activities and related resources that are managed to support all strategic outcomes and program needs, as well as other departmental obligations. Internal Services include Management and Oversight[33], Communications, Legal, Human Resources Management, Financial Management, Information Management and Information Technology, Real property, Materiel and Acquisition.

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[33] Management and Oversight Services include the following service groupings: Strategic Policy and Economic Analysis, Government Relations, Executive Services, Corporate Planning and Reporting, Programs and Services Management, Internal Audit, Evaluation and Crown Corporation Governance.

Performance Analysis and Lessons Learned

Governance and Management Support:

The Deputy Minister-approved evaluation plan was implemented to assess the continued relevance and performance of major programs, covering approximately 20 percent of Transport Canada's direct program spending on average each year. A risk-based audit plan was implemented to assess the department's risk management practices and governance and control processes. Findings and follow-up on management action plans to address all recommendations were reported to an external Audit Committee and, in the case of evaluation reports, to an internal evaluation committee. The department's follow-up process on management action plans was further strengthened by more clearly outlining actions expected to address recommendations, and by seeking and assessing evidence in support of implementing management action plans.

We developed additional guidance, training and tools to support our integrated planning and reporting (IPR) process. The IPR supports better decision making by linking financial and non-financial planning and reporting, including human resources. We reviewed the PAA and Performance Measurement Framework to improve their usefulness in light of departmental governance, program business and available information. Such improvements will be implemented in future years. We modified the methodology used in setting the Corporate Risk Profile to improve risk management practices.

The department improved delivery of its grant and contribution programs by providing departmental program managers access to standard tools and procedures that comply with federal policies. This was accomplished by ensuring timely engagement of functional experts to address management issues and enabling a more risk-based approach to monitoring funded projects as a means to ensure that attention is given to those projects where risk of non-performance or non-compliance may be higher.

Transport Canada released a comprehensive report on the state of transportation entitled Transportation in Canada 2011, which was tabled in Parliament in spring 2012. It was the first report released on the subject since section 52(2) of the *Canada Transportation Act* was amended and received Royal Assent on June 22, 2007.

The department has included web 2.0 technologies into its new Intranet website. The department posted approximately 1,000 Twitter and Facebook messages, including approximately 170 vehicle safety recalls that reached up to 60,000 people. In addition, Transport Canada's social media accounts have more than tripled in popularity over the last year—from 3,916 to 17,420 Twitter followers, 638 to 2,056 Facebook likes, 8,986 to 33,363 YouTube video views, and 11,435 to 41,990 Flickr photo views.

Resource and Asset Management Services:

The department assessed its internal controls mechanisms related to financial reporting to improve its stewardship responsibility as stated in the Policy on Internal Control. Work continues and will be completed in 2013–14, including an action plan to address recommendations from this assessment.

We completed financial system enhancements, such as the Receiver General Buy Button project that ensures compliance with payment card industry security standards for online acceptance of credit card payments for Canadians.

The department strengthened the functional authority of project management by improving internal consultation, procedures and guidance so that capital investments respond better to business requirements and departmental priorities. The department started the consolidation of the IM/IT project and application management functions from the program areas into the Chief Information Officer organization, with the goal of rationalizing the departmental portfolio of applications and significantly reducing costs through the adoption of standard processes and the benefits from economies of scale.

Internal Audit conducted four audits and one review that are driving improvements in temporary help services, vehicle fleet management, information technology project life cycle controls, procurement and people management. Control gaps and weaknesses were found in some cases and management is taking corrective action to address them. The Departmental Audit Committee is monitoring their implementation[34].

In response to the IM/IT Project Life Cycle Controls audit, significant improvements have been made through the corrective actions outlined in the Management Action Plan. The IM/IT Strategic/Investment Plan is a key component of the audit's Management Response and Action Plan as it provides the basis for the governance, planning and subsequent performance measurement for IM/IT initiatives and spending in support of program areas. IM/IT will continue to improve its planning and reporting regime in the coming year. The department worked with Shared Services Canada[lxvii] to streamline and reduce duplication within government-wide information technology services.

IM/IT has continued to make enhancements in IM/IT level controls supporting improved overall IM/IT management processes and strengthened IM/IT oversight. This includes, but is not limited to, the full implementation of the IM/IT Project Management Framework. The Framework is a structured guide with a repeatable set of tools, processes and best practices for the successful management and delivery of IM/IT projects and business outcome measurement.

Internal Services often develops policies, directives, processes and tools used throughout the department. In this regard, internal surveys that gauge client satisfaction and identify areas for improvement are important tools for aligning our efforts to the needs of our clients and to become more efficient.

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[34] **Internal audit reports can be found at** http://www.tc.gc.ca/eng/corporate-services/aas-audit-62.htm

Financial Resources – 5.1 Internal Services ($ millions)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
180	191	204	186	5

Human Resources (FTEs)

Planned 2012–13	Actual 2012–13	Difference 2012–13
1,445	1,315	130

The FTE variance is explained by the fact that Budget 2012 cost reduction measures were not reflected in the FTE planned number. In addition, to manage the potential risk associated with workforce adjustment costs, some staffing was delayed leading to surplus FTEs. Furthermore, given evolving business needs, some positions were filled with staff requiring a different skill set, which affected the number of FTEs.

Section III: Supplementary Information

Financial Statements Highlights

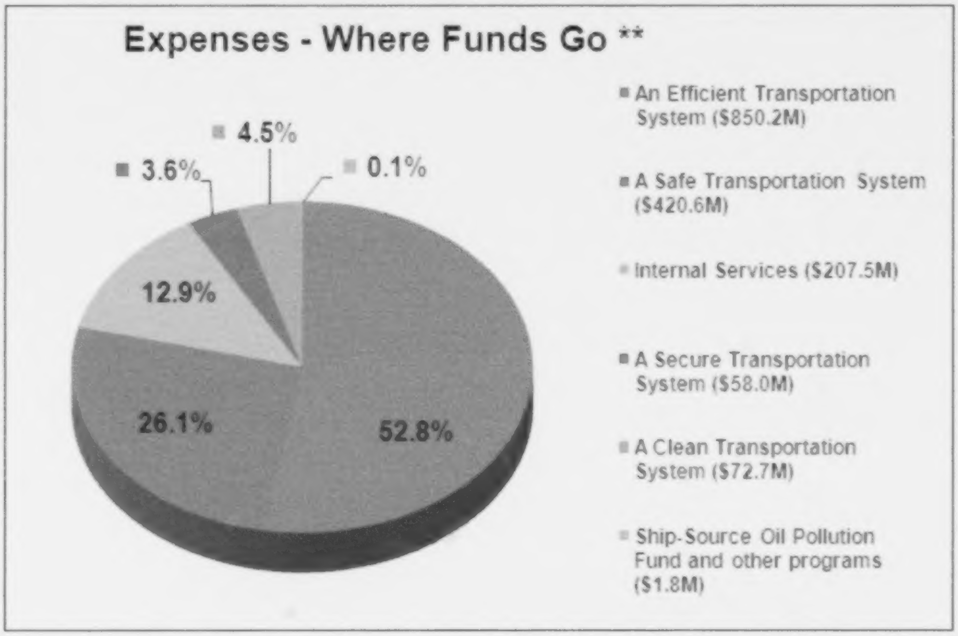
The financial highlights presented within this DPR are intended to serve as a general overview of Transport Canada's financial position and operations. The department's financial statements can be found on Transport Canada's website.

Transport Canada
Condensed Statement of Operations and
Departmental Net Financial Position (Unaudited)
For the Year Ended March 31, 2013
($ millions)

	2012-13 Planned Results (Restated)*	2012-13 Actual	2011-12 Actual (Reclassified)*	$ Change (2012-13 Planned vs. Actual)	$ Change (2012-13 Actual vs. 2011-12 Actual)
Total expenses	2,252	1,609	1,552	644	57
Total revenues	84	88	88	(4)	(1)
Net cost of operations before government funding and transfers	2,169	1,521	1,467	647	54
Departmental net financial position	**1,682**	**1,391**	**1,544**	**291**	**(152)**

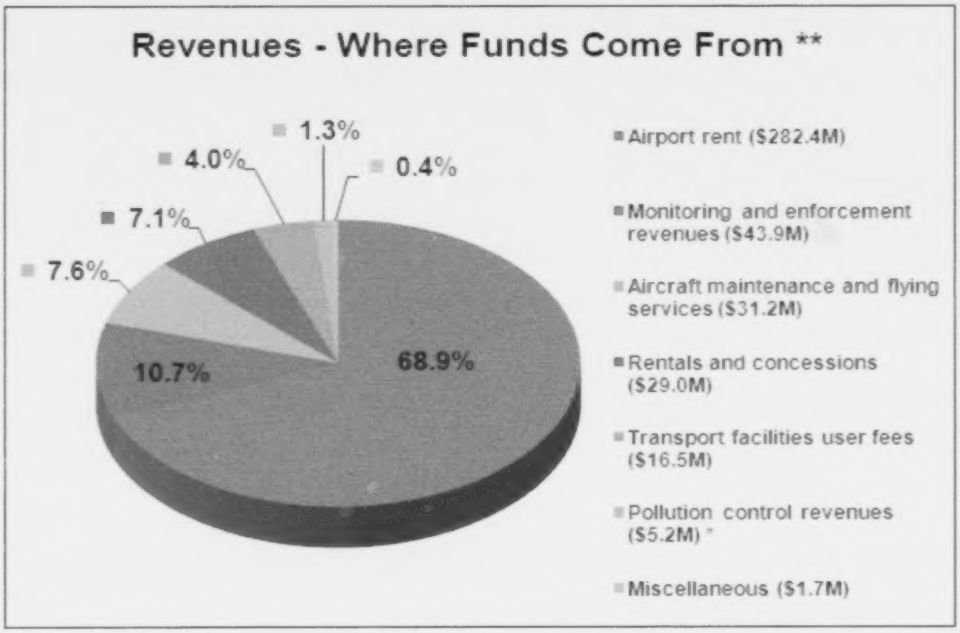
Note: Columns may not add up due to rounding.

* Please refer to the financial statements for further detail.



**Expenses – Where Funds Go represents the total amount paid. The total was reduced by expenses incurred on behalf of Government in the amount of $1.8M for net expenses of $1,609M paid by the department.

Total expenses for Transport Canada were $1,611 million in 2012–2013. There was an increase of $56 million (3.6 percent) from the previous year's expenses. The majority of funds, $1,271 million or 78.9 percent, were spent on transportation efficiency and safety, while other programs represented $340 million or 21.1 percent of total expenses.



* The revenues from pollution control are earmarked under legislation for specific expense purposes and are not available for Transport Canada spending.

** Revenues – Where Funds Come From represents the total amount received for respendable and non-respendable revenues.

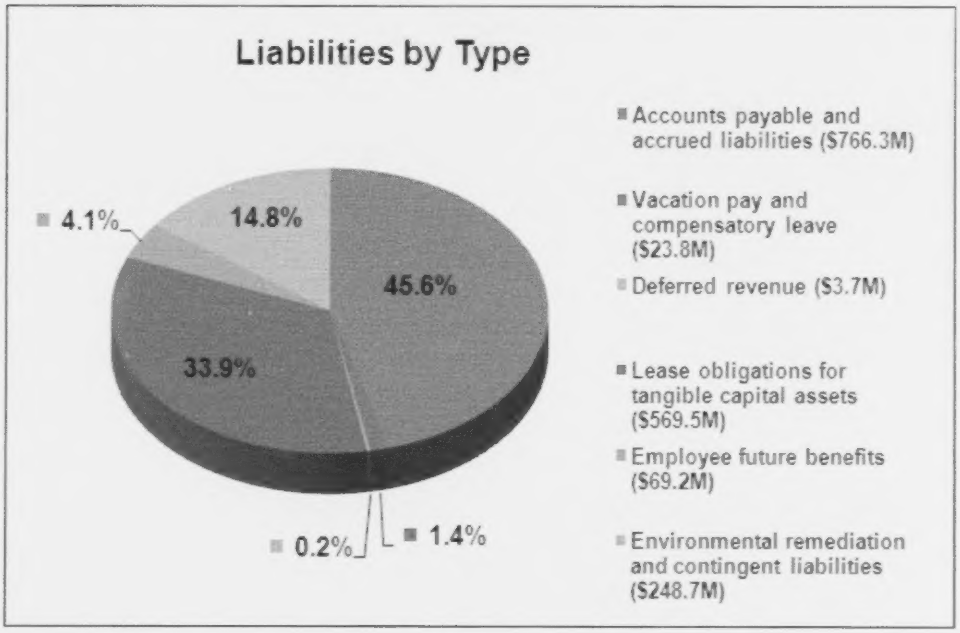
The department's total revenues amounted to $410 million for 2012–2013, of which $88 million was respendable. There was an increase of $8 million (2 percent) from the previous year's revenue. Most of Transport Canada's revenues were derived from airport rent, which was deposited directly into the Consolidated Revenue Fund.

Condensed Statement of Financial Position

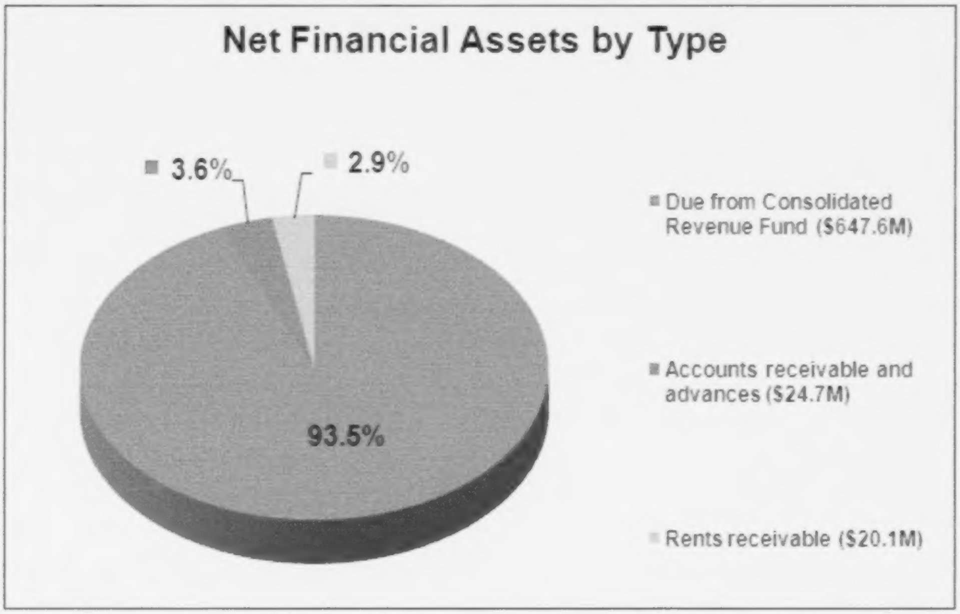
Transport Canada
Condensed Statement of Financial Position (Unaudited)
As at March 31, 2013
($ millions)

	2012-13	2011-12	$ Change
Total liabilities	1,681	2,270	(589)
Total net financial assets	692	1,304	(611)
Departmental net debt	989	966	23
Total non-financial assets	2,380	2,509	(129)
Departmental net financial position	**1,391**	**1,544**	**(152)**

Note: Columns may not add up due to rounding.



Total liabilities were $1,681 million in 2012–13, a decrease of $589 million (25.9 percent) over the previous year's total liabilities of $2,270 million. Accounts payable and lease obligations represent the largest portion of liabilities at $1,336 million or 79.5 percent of the total liabilities. The decrease is due to a reduction in accounts payable and accrued liabilities, where payables at year-end were lower mostly because of stricter accounting policies regarding claim payments to transfer payment recipients, and to a significant reduction of prior years' accrued liabilities.



Total net financial assets were $692 million at the end of 2012–13, a decrease of $611 million (46.9 percent) over the previous year's total of $1,304 million. The amount due from the Consolidated Revenue Fund represents 90.5 percent of the total assets. The decrease in the amount due from the Consolidated Revenue Fund is related to the decrease of accounts payable and the decrease of prior years' accrued liabilities.

Supplementary Information Tables

The supplementary information tables listed in the 2012-13 *Departmental Performance Report* are available in electronic format on Transport Canada's website.

- Details on Transfer Payment Programs
- Greening Government Operations
- Horizontal Initiatives
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- Status Report on Major Crown/Transformational Projects

- Status Report on Projects Operating With Specific Treasury Board Approval
- User Fees Reporting

Tax Expenditures and Evaluation Report

The tax system can be used to achieve public policy objectives through the application of special measures, such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[lxviii] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Organizational Contact Information

We welcome your comments on this report.

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330 Sparks Street
Ottawa ON K1A 0N5

Endnotes

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[i] Transport Canada http://www.tc.gc.ca/eng/menu.htm

[ii] *Canadian Transportation Act* http://laws-lois.justice.gc.ca/eng/acts/C-10.4/

[iii] Laws related to transportation http://www.tc.gc.ca/eng/acts-regulations/acts.htm

[iv] St. Lawrence Seaway Management Corporation http://www.greatlakes-seaway.com/en/index.html

[v] NAV Canada http://www.navcanada.ca/NavCanada.asp?Language=en&Content=ContentDefinitionFiles percent5Cdefault.xml

[vi] Buffalo and Fort Erie Bridge Authority http://www.peacebridge.com/

[vii] VIA Rail Canadahttp://www.viarail.ca/en/about-via-rail

[viii] Canadian Air Transport Security Authority http://www.catsa.gc.ca/page.aspx?id=27&pname=AboutCATSA&lang=en

[ix] Canada Post Corporation http://www.canadapost.ca/cpo/mc/default.jsf?LOCALE=en

[x] Transportation Appeal Tribunal of Canada http://www.tatc.gc.ca/index.php?lang=eng

[xi] Canadian Transportation Agency http://www.cta-otc.gc.ca/eng/home

[xii] Ship-source Oil Pollution Fund http://www.ssopfund.gc.ca/english/index.asp

[xiii] Source: Treasury Board of Canada Secretariat – Whole-of-Government Framework.

[xiv] *Bridge To Strengthen Trade Act*, 2012 http://laws-lois.justice.gc.ca/eng/acts/B-8.05/page-1.html

[xv] Government of Canada Outcomes http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx

[xvi] Government of Canada Outcomes http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx

[xvii] Government of Canada Outcomes http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx

[xviii] Government of Canada Outcomes http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx

[xix] Public Accounts of Canada 2013 (Volume II *)*http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[xx] The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals http://www.ceaa-acee.gc.ca/default.asp?lang=en&n=B3186435-1

[xxi] Transport Canada's 2012–13 Report on Plans and Priorities http://www.tbs-sct.gc.ca/rpp/2012–2013/inst/mot/mot00-eng.asp

[xxii] International Civil Aviation Organization http://www.icao.int/Pages/default.aspx

[xxiii] Canada ratifies the Cape Town Convention and Aircraft Protocol http://www.tc.gc.ca/eng/mediaroom/releases-2012-h146e-7020.htm

[xxiv] *Canada Transportation Act* http://laws-lois.justice.gc.ca/eng/acts/C-10.4/

[xxv] National Policy Framework for Strategic Gateways and Corridors http://www.canadasgateways.gc.ca/media/documents/en/NationalPolicyFramework.pdf

[xxvi] Investing in Gateways http://actionplan.gc.ca/en/initiative/investing-gateways

[xxvii] Asia–Pacific Gateway and Corridor Initiative http://www.asiapacificgateway.gc.ca/index2.html

[xxviii] Continental Gateway and Trade Corridor http://www.continentalgateway.ca/index2.html

[xxix] Atlantic Gateway and Trade Corridor http://www.atlanticgateway.gc.ca/index2.html

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[xxx] Detroit River International Crossing http://www.partnershipborderstudy.com/index.asp

[xxxi] Canada's Economic Action Plan http://actionplan.gc.ca/en/content/beyond-border

[xxxii] Outaouais Road Agreement http://www.tc.gc.ca/eng/programs/surface-highways-funding-912.htm

[xxxiii] Canada's Economic Action Plan 2013 http://actionplan.gc.ca/en/page/economic-action-plan-2013

[xxxiv] See http://www.infrastructure.gc.ca/pub/index-eng.html for Infrastructure Canada's Departmental Performance Report

[xxxv] Advantage Canada Framework http://www.fin.gc.ca/ec2006/pdf/plane.pdf

[xxxvi] Northern Transportation Adaptation Initiative: http://www.tc.gc.ca/eng/innovation/ntai-menu-1560.htm

[xxxvii] Intelligent Transportation Systems: Getting There Together: Smart Transport, Safe Travel http://www.tc.gc.ca/eng/innovation/its-menu.htm

[xxxviii] Transport Canada's 2012–13 Report on Plans and Priorities http://www.tbs-sct.gc.ca/rpp/2012–2013/inst/mot/mot00-eng.asp

[xxxix] International Maritime Organization http://www.tc.gc.ca/eng/marinesafety/rsqa-imo-menu-1877.htm

[xl] Canada's Action Plan to Reduce Greenhouse Gas Emissions from Aviation http://www.tc.gc.ca/eng/policy/aviation-emissions-3005.htm

[xli] International Civil Aviation Organization http://www.icao.int/Pages/default.aspx

[xlii] Truck Reservation System program http://www.tc.gc.ca/eng/innovation/trsp-program-details-1534.htm

[xliii] World-Class Tanker Safety System http://www.tc.gc.ca/eng/mediaroom/backgrounders-tanker-safety-system-liability-compensation-7091.htm

[xliv] Responsible Resource Development Plan http://actionplan.gc.ca/en/initiative/responsible-resource-development

[xlv] Major Projects Management Office http://mpmo.gc.ca/home

[xlvi] *Canadian Environmental Assessment Act* http://laws-lois.justice.gc.ca/eng/acts/c-15.2/

[xlvii] *Canada Shipping Act*, http://laws-lois.justice.gc.ca/eng/acts/C-10.15/index.html

[xlviii] *Navigable Waters Protection Act* http://laws-lois.justice.gc.ca/eng/acts/N-22/index.html

[xlix] *Safe Containers Act* http://laws-lois.justice.gc.ca/eng/acts/S-1/

[l] *Pilotage Act* http://laws-lois.justice.gc.ca/eng/acts/P-14/

[li] *Coasting Trade Act* http://laws-lois.justice.gc.ca/eng/acts/C-33.3/

[lii] *Arctic Waters Pollution Prevention Act* http://laws-lois.justice.gc.ca/eng/acts/A-12/

[liii] Internal Audits http://www.tc.gc.ca/eng/corporate-services/aas-audit-62.htm

[liv] *Railway Safety Act* http://laws-lois.justice.gc.ca/eng/acts/R-4.2/index.html

[lv] *Railway Safety Act* http://laws-lois.justice.gc.ca/eng/acts/r-4.2/

[lvi] *Motor Vehicle Safety Act* http://laws-lois.justice.gc.ca/eng/acts/M-10.01/index.html
[lvii] *Motor Vehicle Transport Act* http://laws-lois.justice.gc.ca/eng/acts/M-12.01/index.html
[lviii] Temporary Vehicle Importation System http://wwwapps.tc.gc.ca/Saf-Sec-Sur/7/TVIS-SITV/USER/Registration.aspx?lang=eng
[lix] *Transportation of Dangerous Goods Act, 1992* http://laws-lois.justice.gc.ca/eng/acts/T-19.01/index.html
[lx] Canadian Transport Emergency Centre http://www.tc.gc.ca/eng/canutec/menu.htm

[lxi] December 2011 Report of the Commissioner of the Environment and Sustainable Development on TDG http://www.oag-bvg.gc.ca/internet/English/parl_cesd_201112_01_e_36029.html

[lxii] 2010 Audit of Aviation Security- Regulatory Oversight http://www.tc.gc.ca/eng/corporate-services/aas-audit-870.htm
[lxiii] *Marine Transportation Security Act* *http://laws-lois.justice.gc.ca/eng/acts/M-0.8/index.html*
[lxiv] Beyond the Border Initiative http://pm.gc.ca/eng/media.asp?id=3938
[lxv] Regulatory Cooperation Council http://actionplan.gc.ca/en/page/rcc-ccr/regulatory-cooperation-council
[lxvi] *Railway Safety Act* http://laws-lois.justice.gc.ca/eng/acts/R-4.2/index.html
[lxvii] Shared Services Canada http://extranet.ssc-spc.gc.ca/
[lxviii] Tax Expenditures and Evaluations http://www.fin.gc.ca/purl/taxexp-eng.asp